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CONTENTS—*continued.*


| | | PAGE |
|---|---|---|
| *THE FUTURE EAST OF SUEZ* | | |
| PAN-ASIAN PANIC | *"Straits Times," Singapore* ... | 64 |
| JAPAN FACES BRITAIN | *"Kaizo," Tokyo* ... ... | 66 |
| CHINA'S STAND | *Madame Chiang Kai-shek, "Birmingham Post"* ... ... | 69 |
| RUSSIA THE VICTOR | *"Nationalzeitung," Basle* ... | 71 |
| *INTERNATIONAL BOOKSHELF* | *Reviews by Vernon Bartlett, C. A. Macartney, Ralph Parker, M. McDougall, George Martelli, C. F. O. Clarke* ... ... | 74 |
| *TRAVEL* | | |
| A CITY WITH ALLURE | *Maria de Lukats* ... ... | 80 |
| *FINANCE* | | |
| WATCHMAN, WHAT OF THE NIGHT? | *"Rapier"* ... ... ... | 82 |
| *DIARY OF INTERNATIONAL EVENTS* ... ... ... ... ... | | 85 |

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MACMILLAN

# WORLD REVIEW

*Volume V. No.* 5. *Incorporating* '*REVIEW OF REVIEWS*' *and* '*WORLD*' *July*, 1938

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THE NATIONS TO SPEAK FOR THEMSELVES

## WHY THERE WON'T BE WAR

by VERNON BARTLETT

HERR HITLER is a clever man. Or shrewd, rather than clever. He knows more about shock tactics in politics than any other living statesman, and one of his habits is to spring his surprises on the world on Saturdays, when people are thinking about anything and everything except world affairs. By the time ministers are back at their desks the peak of the crisis is past, and there's nothing for it but to say that it mustn't happen again. And, of course, it does.

But that one week-end in May went all wrong. Rumour spread that German troops were concentrating near the Czechoslovak frontier in connection with the first of the three municipal elections in Czechoslovakia. With memories of the march into Austria in mind, the subsequent European panic was not surprising. The Germans have complained bitterly about it, but without justification. It was, apparently, not true that the concentrations were large, but they were big enough to form the *cadres* for an extensive mobilisation, had it been ordered. I, for one, firmly believe that the rumour was started from Berlin or Munich, in order to frighten as many Sudeten Germans as possible into voting for Herr Henlein—if the Reichswehr was to be in charge of the country in a few days, it would be wise to clamber on the Hitler–Henlein band-waggon without delay.

Then the unexpected happened. The Czechoslovak Government carried through its partial mobilisation with admirable speed and efficiency, and the British Government showed a little more firmness than Berlin had anticipated. That left Herr Hitler undecided. The Reichswehr was all for prudence and patience ; the extremists among the Nazis were all for striking at once—it might be true that control over Czechoslovakia would come to them without a fight as the result of economic pressure, but that was a dull procedure for people brought up to believe in drastic action. Herr von Ribbentrop was ruder to Sir Nevile Henderson than he had ever been before.

So rude, in fact, that the British Ambassador became thoroughly alarmed, and unwittingly gave Herr Hitler the only severe blow he has received in the international boxing-ring. Somebody in the British Embassy made holiday railway reservations for women and children from Berlin. When this was reported to Lord Halifax, he ordered an immediate countermanding of the arrangement, lest it should be misunderstood and provoke the Germans into going to war. When it was reported to Herr Hitler, he ordered an immediate countermanding of any plans against Czechoslovakia, since it looked as though the British at last meant business. And, however bitterly the German Press might attack the British, French or Czechoslovaks for their provocative panic, every German knew that for once—for the first time, indeed—the Führer had suffered a diplomatic defeat.

*The Lesson*

That is now an old story, but is worth retailing because it is so very significant. There is, in the first place, the difference in the outlooks of Lord Halifax and Herr Hitler which induces the one to fear that the threat implied in the order for a special train will encourage Germany to make war, whereas, in fact, it does more than anything else, with the possible exception of the Czechoslovak mobilisation, to discourage her. Why? For the very simple reason that Germany does not want to make war. There are, as "Floodlight" points out elsewhere in this issue, certain leaders who would rather win a little by fighting than a lot by negotiating, but they can be checked by a little show of determination in other countries. Germany's young men are filled with a militant idealism which, coupled with a regimentation unknown in other lands, arouses deep anxiety elsewhere, but it is stupid to

imagine that these young men *want* to die or to kill. That they *may* die or kill unless the rest of the world behaves sensibly is another matter.

Behaving sensibly, surely, involves acting without panic. And to avoid panic one needs to remind oneself as frequently as possible how poor are the prospects for an aggressor in any but what the Duce would call a " colonial " war. It is, I believe, true that when the Germans occupied Vienna, the strain on their petrol supplies was such that private cars in Munich and other towns near the frontier could obtain none for several days. The German papers are full of lamentations about the scarcity of copper and other essentials. A great German general remarked not so very long ago that you could end a war with food cards, but that you could not begin one with them. What country placed as Germany is could go to war with any hope of a victory which would leave her present rulers still in power?

*Unpopular Mussolini*

The Duce is in a more sorry state than the Führer. There is very much less of that almost ecstatic devotion among his followers than you find among the younger Nazis—time and ecstasy don't go well together. Herr Himmler, head of the German secret police, is said to have drawn up a memorandum on the situation in Italy, based on the reports of his many agents who were sent to prepare for Herr Hitler's visit to Rome. It gives a devastating report of the situation there. The Rome–Berlin axis is more unpopular than ever; the fear of an intensification of dictatorial methods in the event of war is widespread and deep ; the personal popularity of Mussolini has sunk very low ; nine out of twelve Italian generals who were sounded on the advisability of a military alliance with Germany were against it ; opposition among senior officers, aristocrats and even members of the royal family to the present trend of Fascism is becoming much more outspoken ; the economic situation is worse than it has ever been.

The Duce's last three adventures in international affairs have been sterile and unpopular—the " colonial " war in Abyssinia is not yet over, and the pathetic cargoes of sick and wounded are not landed at the ordinary wharves in Naples harbour, but are taken off in secret to hospital lest they should remind the Neapolitans of the contrast between promise and performance in that cruel country. The war

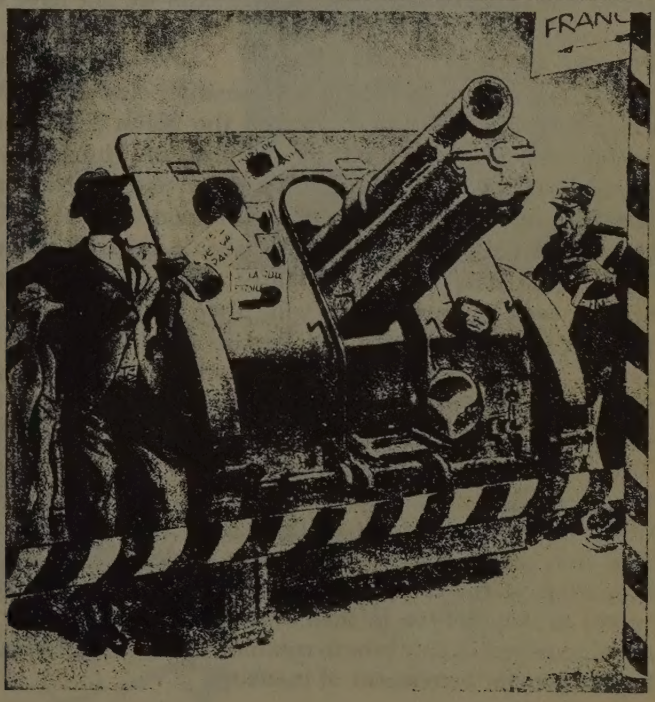
in Spain drags on, but the necessity for carrying it out under the subterfuges made familiar to us by all this bunk about "non-intervention" robbed it of all its glory in the early days; the Duce has made capital out of it at home only in proportion to the timidity of other governments in condemning warfare (one has but to remember the angry Italian denials when Mussolini's message of congratulation to the legionaries was captured at the battle of Guadalajara in March, 1937, and the way in which such messages are now not conveyed in secret orders of the day, but are shouted from loudspeakers on the house-tops, merely because the protests against intervention have been so timid), but there is now no enthusiasm in Italy for a campaign which must again worsen relations with England. The failure to keep the Germans away from the Brenner and, still more, the Duce's welcome to them on their reappearance there, make Italians so angry that one can easily believe the reports about Bologna's riots of protest at the University.

*Japan's End as a First-Rate Power*

The Japanese who, so short a time ago, appeared to be invulnerable in the Far East are finished as a first-class power. That magnificent dug-out in Canton where, four months ago, I sat and talked with the Governor during a very tame Japanese rehearsal for the raids of the last few weeks, must now be the envied refuge of a million poor and harmless devils who are subjected to the most brutal bombardments in human history. And yet one does not hesitate to write that Japan is finished as a great power—unless, of course, that mysterious bunch of reactionaries known as "the City" comes forward at the critical moment with immense credits which, if given to the Chinese instead of the Japanese, would still save Western commercial interests in the Far East. The Chinese, helped downhill by the most sinister Japanese methods of encouraging drug-taking (which sound like the wildest criminal stories, and yet are true) may lose their present passion for better education and social services, but their new sense of nationalism will flourish, as such senses invariably do, under oppression. Japan lost her chance of controlling this new Frankenstein monster when the behaviour of her troops after the capture of Nanking gave just that necessary extra incentive to the Chinese to remain united behind General Chiang Kai-shek.

Each of these three totalitarian states is a threat to the British Commonwealth—you can't blame the poor for envying the rich, the young for wishing to elbow out the old. Germany, with her energy, planned economy and psychological yearning for colonies ; Italy, with her ambition to turn the Mediterranean into an Italian sea ; Japan, with her desire to push all Western influences out of the Far East—these three between them would destroy the British Empire if they achieved their ends. They may still do so, but they cannot afford to do so by deliberate and open war against us. If we drift into war they will be almost as distressed as we shall. And if only our jittery rulers will get that into their heads, the world will breathe a sigh of relief which will be a tornado. For these men who meet once a week in Downing Street have in their trembling hands the fates not only of the British Empire, but of every European state that has not yet gone totalitarian.

AT THE FRENCH-SPANISH FRONTIER




"It's quite all right. This is for my personal use."

*Il Travaso delle Idee*," Rome

The great danger to peace is not that we shall be rude to the dictators, but that we shall not be rude enough. One can hardly blame Herr Hitler and Signor Mussolini if, knowing how poor are their own resources, they develop perilously swollen heads and ambitions. What young man just making his way in the world does not risk losing his sense of proportion if the older, richer and more powerful show that he terrifies them?

That is what is wrong with the world. We have lost our sense of proportion. If Whitehall cares to play them, it still has most of the trump cards in its hand. It may be slow in offering guns to the people but it still can offer butter, and it is still the man rather than the machine that matters. It may be bad form to boast of one's wealth, but a few millions handed out as credits to states in south-eastern Europe could be more effective than the expenditure of ten times the amount on tanks and guns and aeroplanes. If we must fight to retain our place in the world, why should we not have the choice of weapons?

*Use Our Wealth*

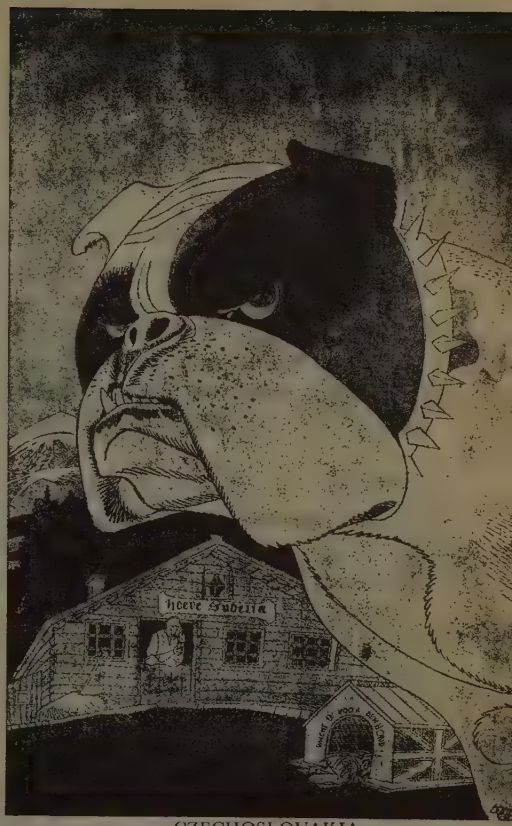
It may be no bad thing if Germany's economic domination ex-extends to the Mediterranean and the Black Sea. Comfort is the enemy of adventure, and the control of Hungarian wheat and Roumanian oil might possibly put an end to Nazi ambitions to conquer the world. But there is no reason why we in Great Britain should not put up some defence against a political system we do not and cannot like, and one country after another must adopt that system, even against its own will, if we do not use our great wealth to enable them to choose. A Turkish financial mission was allowed to kick its heels in London for months before it was granted a British loan, and yet Turkey's strategic position is almost as important as that of Spain—which we have already done our stupid best to lose. There should be a daring scheme of financial assistance to the poorer European countries, because we cannot retain our position in the world if we make no use of the wealth that position has given us. And it is only when we have made it clear to the most ambitious supporters of the totalitarians that we believe in our system as fervently as they believe in theirs that we shall be able to get together and discuss reasonably how to combine their energy and our possessions for the general betterment of mankind.

# *BRITAIN ON THREE FRONTS*

*"L'Oeuvre"* *Paris*

MEXICO

"Oil that will make an Englishman run is something one doesn't come across every day."




*Doewe, "Haagsche Post"*

CZECHOSLOVAKIA

SPAIN

"Surely you aren't goin to be more touchy tha Mr. Neville Chamberlai when faced by a *fa accompli!*"

*"La Lumière," Pari*

# SO YOU'RE GOING ABROAD

When you hear the Call of Summer on Conducted Wonder Tours,
And plan the Land or Sea Inclusive Cruise,
Some features not included in the Holiday Brochures
May be gathered from the Continental news.

Will your Joy-Week in Gross-Deutschland at the minimum expense
Seem quite worthy of your rapture unrestrained,
When you're plucked out of your Pullman for some currency offence,
Arrested on suspicion and detained?

Might one even be the victim of some racial mistakes
In the barrack-ground till lately known as Wien?
Can a pilgrim to Locarno and to Stresa and the Lakes
Dodge one million Axis-Tourists from Berlin?

On cheap luxury excursions round St. Moritz and Lucerne—
All the Alpine Winter Playgrounds of the rich—
Does the Bureau make a rebate for precipitate return
If Swiss–Germans catch the Pan-Teutonic itch?

Is a Culture-Cruise to Hellas not unsafe, to say the least,
Till well past Gibraltar's over-rated cliff?
Might your glamour glimpse of Tangier, mystic gateway to the East
Not include some awful moments with the Riff?

If a Spa-ha near to Praha should accept your L.S.D.,
Will the next Sudeten Putsch leave time to quit?
On your Peep-Week in Dalmatia on the Adriatic Sea,
Might Croatians not burst wide open right in Split?

So despite the local colour and the wonderful exchange
Would it not be really safest in the end
To keep away from Europe where the natives are so strange
And stick to "Bonnie Braeside," at Southend?

REYNARD.

# FOREIGN BODIES
## Seen From Berlin

by FLOODLIGHT

*Each month particular figures step to the front of the world political stage, joining the dictator stars who move permanently in the limelight. Each month too, British statesmen have to grapple with problems connected with these figures. This month our observer takes us behind the scenes in Berlin to watch the performers in that storm centre*

### *A Student of Germany*

TO interpret France to Germany and Germany to France requires the mentality of a chameleon. In spite of a well-covered and placid exterior, M. André François-Poncet, the French Ambassador in Berlin, has all the necessary agility of mind. Whenever Franco–German relations are strained, he comes to Paris to explain the imponderables behind the superlatives of the *Voelkischer Beobachter* ; in Berlin he presents the conclusions of French policy with equal logic and firmness. Although coming from the higher ranks of the French *bourgeoisie*, he has none of their traditional narrowness of outlook. He can appreciate events in the light of history and judge them with the experience of to-day.

Fifty-one years ago, André François-Poncet was born in the quiet little town of Provins, near Paris. The son of a well-to-do Counsellor of the Paris Appeal Court, he studied at the *Ecole Normale* and passed his finals with flying colours in German. After publishing a study on Goethe's *Wahlverwandtschaften*, he wrote a brilliant essay on the mentality of German youth. At the same time a flood of articles from his pen helped to enlighten French opinion, with almost prophetic accuracy, on the pre-War tendencies across the Rhine.

### *Economist and Politician*

The first public use made of M. François-Poncet's special knowledge came during the War. He was sent by Philippe Berthelot on a delicate mission to Switzerland, where his ability to speak faultless German served him in good stead. At this point he underwent a sudden

transformation: from having been a teacher of literature, he developed an appetite for figures and statistics. Dispatched to Washington in 1919 on an international economic mission, he returned to Paris the following year to found a centre for economic information. He attended the Genoa Conference and, during the occupation of the Ruhr, acted as economic adviser on the staff of General Degoutte.

A few years later M. François-Poncet decided to try his hand at politics. He was twice elected deputy in the Seine Department and in 1928 became Minister of Fine Arts in Poincaré's last government. Under Tardieu and Laval he remained as Under-Secretary for National Economy.

### *Working for Peace*

His diplomatic career only opened in 1931. His first post was that of Ambassador to Berlin, so that for seven years he has been able to follow the rise of the Nazi movement and grasp its underlying conditions ; *tout comprendre* does not in this case *tout pardonner*. During his stay in the palatial French Embassy in the Pariserplatz, French governments have succeeded each other with kaleidoscopic rapidity ; but the essentials of French policy do not change. M. François-Poncet is the symbol of that underlying constant. In Germany the Republic of Brüning has passed through the transition period of Schleicher into the fully-fledged military dictatorship of Hitler ; meanwhile the French Ambassador has worked with only one aim in view, the maintenance of peace. If one adds that he has eight children, his assiduity is explained.

### *Critical Hours in Berlin*

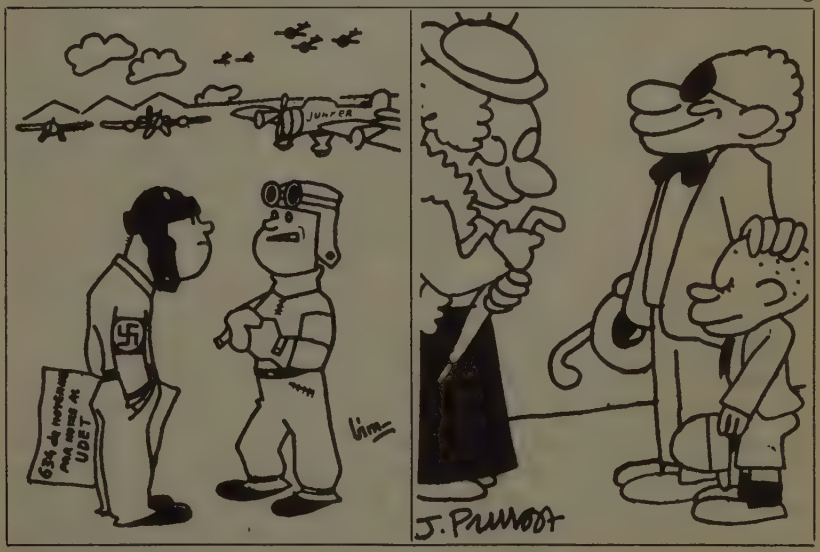
In Berlin to-day diplomatists are living through the most anxious period since Hitler took power. Every day the German Press thunders against the Czechs ; responsible German Ministers are continually telling the world that German patience has a limit ; and the *Unter den Linden* resounds to the booted footfall of soldiers and storm-troopers. The whole German nation has been organised for war ; a reckless hand may at any moment let go the lever ; once the machine is started, no internal force can bring it to rest.

At the end of May Herr Hitler considered invading Czechoslovakia, but the moment was not thought opportune. The Anglo–

French demonstration of solidarity over the exaggerated report of troop movements confirmed the *Führer* in his intention to delay the march. But the idea of a forceful solution is still in the air ; at any moment some incident in Czechoslovakia may be represented as an intolerable provocation to Germany, only to be wiped out in blood. The Nazi extremists, furious at the publicity given abroad to their diplomatic defeat, are only waiting for a moment when the attention of Britain and France is engaged elsewhere.

### *The Führer's Advisers*

Considering the economic stranglehold over Czechoslovakia which Germany now possesses, diplomatic circles in Berlin are amazed at the impatience of the extremists. If Germany were content to wait, all she wanted would fall into her lap without a struggle. Autonomy for the Sudeten Germans would probably mean a gradual transfer of population, which would facilitate an eventual *Anschluss*. There would never be a *casus belli*, unless Britain and France were willing




"*Marianne*" *Paris*

THE COMPETITIVE SPIRIT

"What did you say? You did an average of 850 ! " . . .

"Ha ! Yes ! . . . 850 victims ! "

FRENCH HOLIDAY PLANS

"We are hesitating between Ax, on account of Franco bombs, and Royan, on account of the measles."

to oppose the principle of self-determination with the sword. Germany's technique would be to allow the bargaining between the Czechs and Herr Henlein to continue until the autumn and then work up a campaign about the inadequacy of the Czech concessions; but, in spite of the promise of a bad harvest, there is absolutely no certainty that the Nazis will hold themselves in. Herr Hitler, who is reported to be in a very agitated state, has only one moderating influence in his entourage, the new Army chief, General von Brauchitsch ; now that von Neurath and Blomberg are gone, his other advisers are all fire-brands ; the most dangerous of these, on account of his stupidity, is Herr von Ribbentrop. His direction of a great nation's foreign policy at the present moment is as much a menace to Europe as was Berchtold's in 1914.

### *Dangers of An Explosion*

What chances are there then of peace ? There is only one, the hope that Germany will gain her objectives without calling the Franco–Czechoslovak Pact into play. The only solution which might satisfy Germany and prevent Czechoslovakia from becoming an Alsace-Lorraine of the east would be the federalisation and guaranteed neutralisation of the Czechoslovak State. A proposal on these lines may seem a betrayal of the Czechs, but at least it might avoid a conflict ; and to have settled the problem with Germany on diplomatic lines would set a new and invaluable precedent. In acting as the honest broker between the two countries Britain has given herself an almost impossible task, but one worth every effort to pursue.

The fear of a general war may deter the Nazis from an invasion; on the other hand, the Party hotheads might at any moment take the risk ; presumably, after the Nazis had bombarded London for six months, they would be reduced by a blockade. But, at the end of the war, what would be gained ? Apart from the general destruction, we should have to give the Sudeten Germans back to Germany unless we wanted them to be the subject of another war twenty years later; there is no hope of scotching for ever that endemic nationalism which seizes on almost all German youth between the ages of 20 and 35. At great cost we might prevent a German hegemony of Central and Eastern Europe for a short time ; but it is geographically and

economically natural for Germany to exploit these countries and the *Drang nach Osten* would soon start again.

### *Czechoslovakia Must Give Way*

In Germany there is widespread opposition to the Nazi regime; many Germans would even like a war in the hopes of upsetting it. But the *Gestapo* are better organised and more repressive than they have ever been. In spite of their crimes, the Nazis have done so much to provide work that they can count on support from many former socialists. The opposition should, in fact, remain a negligible factor in the calculations of foreign countries ; nor is it for us to make a war on behalf of German liberalism, which twice now, in 1914 and 1933, has shown itself a broken reed.

Foreign observers in Berlin are dismayed at the shilley-shalleying of the Czechoslovak Government. The Czech Nationalists are apparently obstructing the grant of any effective concessions to Herr Henlein ; the Czech partial mobilisation, the calling up of reserves and the talk of prolonging military service, only make the British peace efforts harder, as the Germans were able to claim with some justification that, in listening to British counsels of patience, they were not getting anywhere. It is hoped that, with the elections over, the Czechs will make a real effort to placate their over-powering neighbour ; a conflict that broke out through Czech intransigence would not find Britain and France ready participants.

### *What Can Britain Do ?*

If, as is clear, the British Government have no wish to fight Germany now and crush her, as they undoubtedly could, what is to happen ? Germany is gradually going to consolidate her hegemony of the Continent and we are to be faced with the perpetual difficulty of rubbing shoulders with a great, highly-armed, energetic and expanding nation. Fortunately, thanks to the development of the United States and the self-governing Dominions, the balance of power in the world depends less on Europe than it did fifty years ago. Our policy must be one of hard, but peaceful bargaining ; but it is no good clinging to untenable positions. The strategic value of the Czechoslovak frontier is bound soon to be lost ; Anglo–French solidarity, which we must on no account relax, may at least have the

effect of occasionally obliging the Nazis to use other means than force. Even that would be to the good, if it gave European nerves a chance to recover from the successive shocks of the past few years. But those who wish the British Government to protest at every increase of Nazi power must be ready for personal sacrifices if the protests are to be anything but futile ; in the opinion of the best informed circles in Berlin the only real guarantee against war would be British conscription.

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## WHEN CLUBS ARE TRUMPS

They tell the story of Mussolini playing bridge with his Foreign Minister, Count Galeazzo Ciano, against His Majesty the King and Emperor, and Dino Grandi, Italian Ambassador to England.

Grandi opened the bidding with four hearts. Ciano bid five spades. The King looked at his hand carefully, chuckled and bid seven no trumps.

Mussolini glared at the other three players and thundered: " And I, Benito Mussolini, I bid one club."

Grandi said, " I pass." Ciano said, " I pass." And the King ? Well, he looked at his hand wistfully, shrugged his shoulders and in a resigned voice said, " Me too."—" *Wall Street Journal.*"

## MORALISING BEGINS AT HOME

How they do cackle, those famous men of the United States ! Roosevelt, placing fascism and communism together, calls himself the enemy (Public, No. 1 ?) of both, and promises to defend democracy, menaced by the authoritarian regimes.

Cordell Hull, in *his* speech, wants to defend, to moralise, to humanise. . . . Why don't they think of defending American children from kidnappers, of humanising their gangsters, of moralising the police who, it seems, protect them ?

With so much to do at home, how can they find time to think of others ?—" *Il Travaso delle Idee,*" *Rome.*

## CONTROL—ITALIAN STYLE

It is expected that the Non-Intervention Committee, which is meeting tomorrow, will decide on the re-establishment of control at the Pyrenees frontier.

Italy proposes to send 80,000 controllers.—" *Le Canard Enchainé,*" *Paris.*

## BURDEN OF "PEACE"

One of the greatest hidden war dangers in Europe is that the armament burdens of " peace " will become so intolerable that war will no longer appear catastrophic in comparison.—" *New York Post.*"

# THE OPEN FORUM

## RHODESIA FOR THE JEWS?
## A Proposal for a Vital Problem

by COUNT R. N. COUDENHOVE-KALERGI

*In this section we publish, without necessarily sharing the views they express, articles from men of international fame. Count Coudenhove-Kalergi is well known as the sponsor of the Pan-Europe plan. The problem for which he here suggests a solution is one to which all Empire-owning nations must give their attention before long*

THE Jewish problem is essentially a minority problem. The Jews in Europe form a minority of about 2 per cent. West of the Soviet Russian border about 7 million Jews are living, scattered among 380 million non-Jews. This small minority for two thousand years has faced a powerful majority, first as the sole monotheistic people in the midst of the heathen world, then as the sole non-Christian community in the Christian world of the Occident. In spite of all attempts at emancipation the Jews have remained a minority, whether defined as a religious community or as a race, as a nation or as a caste. This fate has developed simultaneously a number of positive and negative qualities in Jewry and anti-Semitic prejudices and antipathies among many non-Jews.

The solution of the Jewish problem can only be one which makes the Jews finally cease to be a minority.

The assimilation solution aims at allowing the Jewish minorities to be absorbed into the surrounding national majorities ; Zionism aims at concentrating Jewry in Palestine, until it becomes the national majority there. Assimilation and Zionism are both logical attempts

at a solution : the dissolution of the Jewish nation by assimilation is just as justifiable a demand as the maintenance of the Jewish nation by the Jewish State. Both paths to-day have led into blind alleys ; the tendencies towards assimilation have come to a halt before the fresh flood of German racial anti-semitism, which rejects Jewish assimilation completely : Zionism is blocked by the rebirth of pan-Arab nationalism which aims at making the formation of a Jewish majority in Palestine impossible.

*Two Different Kinds of Jew*

This double blow is making the position of European Jewry ever more difficult. The problem demands fresh solutions. Such solutions can only be found if Jews and non-Jews recognise the fundamental fact that European Jewry does not form a single unit, but falls into two completely differing parts : into assimilated Western Jews, who have assumed the speech, culture, customs and clothing of their non-Jewish fellow citizens and have been absorbed into their nations ; and the unassimilated Eastern Jews, who form a nation of their own with their own speech, culture, customs and clothing. In Poland and Roumania alone there are more than 4 million Jews belonging to this national minority who for religious if no other grounds oppose any kind of assimilation and cling to their traditional way of life.

In Western Europe, including Italy and Scandinavia, there are, among 200 million non-Jews, only 1 million Jews, who, for the most part assimilated, feel themselves to be patriotic members of their nations and reject all community with the Eastern Jews. Western Europe can and will completely assimilate this small Jewish minority, just as the Chinese once succeeded in absorbing theirs. But this process is only possible if Western Jewry is not increased to any notable extent by additions from unassimilated Jewry of Eastern Europe, whose character and ways are quite strange to the Western European. For this reason a solution of the problem of the Eastern Jews is in the greatest interest of the Western Jews.

Assimilation of the Eastern Jews within any calculable period is impossible. Single individuals may be absorbed, but not the masses. The Eastern Jews will either remain a minority—or emigrate. Their economic position is already desperate. The burden of the economic crisis here, as everywhere, is being placed on the backs of the politically

weakest, that is, on the backs of the minorities. Their possibilities of existence are being limited more from year to year. They must finally choose between emigration or increasing misery.

It was to America that the first stream of emigrants went. When America closed its doors Palestine became the greatest hope. Palestine became in a critical moment of history the life-boat for hundreds of thousands of human beings. Now the greater part of Palestine is to be withdrawn from Jewish immigration by the Partition Plan. Even the biggest optimists must recognise that the dwarf Jewish state in North Palestine is not in a position alone to settle the Eastern Jewish question. It needs to be completed by the addition of fresh extensive settlement areas.

There are enough empty territories which would be economically in a position to receive the Eastern Jews ; but almost everywhere political misgivings stand in the way. Should, for example, a big stream of Jewish immigration start flowing into any American Republic or a British Dominion, increased anti-semitism would be the immediate reaction locally. For the great mass of Eastern Jewish emigrants, therefore, a settlement area must be found in which they will not remain a minority, but will become a majority.

### *Suitability of Rhodesia*

Such areas, climatically suitable for Europeans, are only to be found in the highlands of Africa. Northern Rhodesia, for example, comprises a territory almost three times the size of Great Britain, with a population of only 10,000 Europeans and 1½ million blacks.

This naturally rich territory, with extensive productive areas for settlement, threatens to be lost to the white race, as it is not to be expected that a larger number of Europeans will colonise it without particular reason as long as other empty areas in Canada, Australia, South Africa and New Zealand stand open to immigration. Were it, on the other hand, to be made available for Jewish settlement, it might be expected that it would be opened up economically within a calculable period and would be won for the white race. For this reason not only the Jews would have an interest in such a colonisation scheme but the British Empire and the whole white race.

Northern Rhodesia's potentiality for settlement lies in the fact that the greater part of this country is over three thousand feet high,

and so habitable for Europeans. On the other hand, settlement would be rendered difficult by the facts that sleeping-sickness prevails in the greater part of the country and that Rhodesia possesses no coast of its own. It would be necessary, therefore, to suppress sleeping-sickness as far as possible, and to create new means of communication. Medical science has already made great progress in the fight against sleeping-sickness ; this progress could without doubt be extended by Jewish colonisers, research workers and doctors. The great successes of the Jewish settlers in Palestine have placed the Eastern Jews in the ranks of the best colonisers in the world.

As regards means of communication, it may be expected that in the next few decades the aeroplane will form a substitute for railways and cars to a considerable extent. When the time comes for the race in rearmament to end, aeroplane factories will be changed over to the production of civil aircraft, with immense increase in civil air traffic as a consequence. In this way Rhodesia will be brought closer not only to the African coastal towns but to the cultural and economic centres of Europe.

Naturally the financing of such an undertaking would form a great and difficult problem. But this problem exists in any case owing to the necessity of Jewish colonisation somewhere ; and it would be better for the large sums necessary to be invested in a single country, instead of being scattered over the whole world, leading to a new Diaspora, with all its harmful and dangerous consequences.

### *Good Effects Elsewhere*

Such generous settlement of Jews in Africa, within the borders of the British Empire and with active participation of the future Jewish State in Palestine, would have qualifications suiting it to be a solution of the Jewish question. The mere fact of such a large-scale plan, which would have to be carried out in co-operation with Germany, Poland, Hungary and Roumania, would without doubt lead to a slackening of anti-semitic tension in those states. At the same time it would hasten the complete assimilation of Western European and American Jewry. It would also lead to a relaxation of tension in Palestine, as the Arabs would no longer have to fear losing that country through increased Jewish immigration.

Basically, this solution would be a reversion to the proposal

made in 1903 by Joseph Chamberlain to the Zionists, when he offered them Uganda as a settlement area. At the time this proposal was rejected by the Zionists, as they placed all their hopes on Palestine. To-day they realise that the possibilities of Palestine are limited. It is, therefore, only logical to return to the offer made previously and make an African colonisation area the completion of, not the substitute for, the Palestine idea. For it is clear that no African territory can offer a substitute for the religious, political and national romance attached to the name of Zion. But it is just as clear that Palestine only represents a partial solution and needs a more extensive completion.

In this way it would perhaps be possible to unite the efforts of the Zionist with those of the Jewish anti-Zionists. For there would be no question : " Assimilation or Emigration? " but an answer : " Assimilation and Emigration." Assimilation of the Western Jews and emigration of the Eastern Jews. It is not a question, " Palestine or Rhodesia?" but an answer : " Palestine *and* Rhodesia." It is matter for reasonable thought and decided action.

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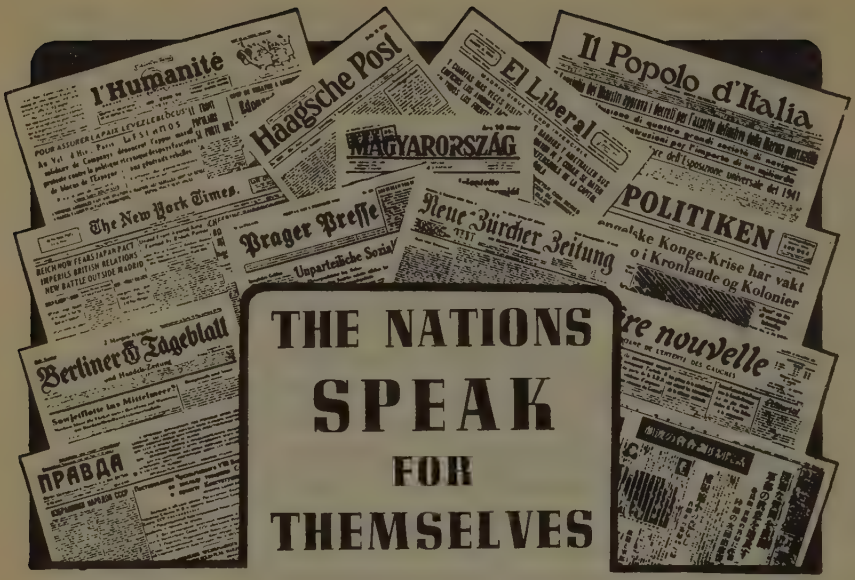
## MAKING HISTORY

Nothing can deceive like a document. Here lies the value of the war of 1914–1918 as a training ground for historians. Governments have opened their archives, statesmen and generals their hearts, in time to check their records by personal examination of other witnesses. After twenty years' experience of such work pure documentary history seems to me akin to mythology. For those who still put their faith in it here is a short story : When the British front was broken in March, 1918, and French reinforcements came to help in filling the gap, an eminent French General arrived at a certain army corps headquarters and there majestically dictated orders giving the line on which his troops would stand that night and start their counter-attack in the morning. After reading it with some perplexity, the British corps commander exclaimed : " But that line is behind the German front—you lost it yesterday." To which he received the reply, made with a knowing smile : " *C'est pour l'histoire.*"—*Captain B. H. Liddell Hart, " London Mercury."*

## ALONE IN A WICKED WORLD

The truth is that no country in Europe but our own can conceive it possible that action can be dictated by purely moral motives, entirely regardless of self-interest, and the sooner we recognise that we are the only country in Europe with a conscience the better. . . . We must recognise that our moral stand-point is beyond the comprehension of other European countries, and reconcile ourselves to the fact that it will always be genuinely and quite honestly misunderstood.—*Letter to " The Times."*




*THE RED LIGHT*

# TRIAL BY PROVOCATION

*From the "Münchener Neueste Nachrichten," Munich,* 2.6.38

*Our diplomatic observer, writing in "Foreign Bodies" from Berlin this month, gives the background against which the following illustrations of the temper of the German Press should be read*

ON his way back from Budapest, the Archbishop of Paris, Cardinal Verdier, paid a call on the Czech government which, with the approval of French princes of the Church, was made into a political occasion, becoming an odd demonstration of brotherhood between Czech Freemasons and the French Cardinal. At one of the numerous receptions which were held in his honour, Cardinal Verdier spoke of the Czech mission for world peace, and of his confidence that Czechoslovakia would be splendidly able to fulfil this mission.

If Cardinal Verdier understands by a Czech mission for world peace that their task consists of systematically undermining peace

with the final goal of a devastating outbreak of war, his confidence is certainly justified. Otherwise his remark would be unintelligible, and could only be regarded as cynical encouragement to the Czechs to carry on their game of crises to its fateful conclusion. Proofs enough of Czech interpretation of how to fulfil a peace mission were given just at the time that the Cardinal sojourned in Prague. Whitsuntide was by no means thought by the Cardinal's Czech friends to be too holy for them to desecrate it by fresh bloody acts of terrorism and savage provocation. The Czech government in their expected apologies may save themselves the trouble of maintaining that the Czech gendarmes and the rest of the knuckle-duster heroes acted during a sudden attack of temporary insanity, or were completely drunk. Such excuses, which throw a significant light on the state of Czech executive authority, are no longer adequate to the seriousness of the situation.

*Czech Warmongers*

The regular man-hunts which are organised on guiltless and defenceless Sudeten Germans, the brutal assaults on peaceful citizens by men who, although paid by the Czech State have long passed out of its authority, constitute one of the worst and most fateful acts of the Czech policy of challenge. They are unmistakable proof that, in spite of all promises, Prague intends to bring to a head the state of permanent crisis which it has caused. There must somewhere be a limit set to the challenge to the Sudeten Germans' disciplined and passive resistance, owing to which the worst has so far been prevented from happening. We know that in Prague they are doing their best to overstep these limits. They are harbouring the intention, by means of intensifiying the military state of war and so intensifying the challenge which goes beyond the State frontiers, of bringing the critical state of tension to a point where only hard decisions can be made.

By all means available to her, Germany has pointed this development out again and again to the European powers and drawn their attention to its consequences for world peace. But London and Paris are still supporting Prague's dangerous policy by their attitude. They have apparently still made no serious attempt to bring any permanently moderating influence to bear in Prague. Calming

statements and publications which evade the truth are no longer adequate to the situation which has been created by the Czech policy of oppression.

During the whole course of the crisis Germany has shown by her deeds that she wishes under all circumstances to avoid a solution by violence, that she wishes to go the path of peaceful settlement. That path has not been easy. In London, particularly, everything has been done to strew it with obstacles of all descriptions, which must rouse the suspicion that in Downing Street they are enjoying carrying the test to its unknown limit. For this reason the responsibility weighs doubly heavy which England has taken on herself through her policy to date, and which by her historic forgery about " saving peace " has only been made greater.

The test of strength between Czech challengers and the patience of the challenged has gradually reached a point at which the date for a real salvation of peace cannot be much further postponed.

# BALANCING ON BAYONETS

## The Voice of Moscow

*From the " Berliner Tageblatt,"* 31.5.38

*For the answer to this point of view, we refer readers to the article " Russia the Victor," in our Far-Eastern Section*

HOW much Moscow is reckoning on the present Paris government as a factor in the Bolshevik political game can be clearly seen from the fact that the French communists have no wish for a change in the government, although many of Daladier's internal measures in no way fit into their programme.

In fact, it is known that conversations have been held between the French and the Soviet Russian General Staffs regarding " Common action under the mutual assistance agreement binding the two States." What is meant here by assistance ? Nothing less than a policy of crises. Czechoslovakia is just suited for this policy. Moscow's war politicians are doing all they can to stage a European conflict from Czechoslovakia. There are reliable witnesses for this fact. The Czech Legionaries' paper *Narodni Osvobozeni* states that the Chairman of the Defence Committee, Davids, has been informed by a member

of the Soviet Supreme Council that the Red Army will find a way into Czechoslovakia.

These are facts which up to now have not only been inadequately estimated by Britain, but one might almost think have been overlooked with intention. However, if they thought in London that by this means the conflict would be faded out, that was their mistake. In Moscow and Prague, on the contrary, British reserve in this direction was interpreted as silent encouragement. Mobilisation measures were not only not cancelled but were extended, so that to-day in Czechoslovakia all classes between 24 and 35 years of age are under arms.

We will not lose our nerve on that account. We can no longer be intimidated. Dr. Goebbels said the right thing in his Dessau speech: "German peace is no longer dependent to-day on the grace and benevolence of the world." Our security rests in our own strength. Germany is a great power again which no longer needs to rely upon the Geneva Union and cannot be woven into a net of intrigue, or swindled out of her vital rights by diplomacy. This applies also to our anxiety regarding the men of our blood living outside the Reich. We want peace, and will have it and maintain it with everyone who is of goodwill and respects our honour, as we do his.

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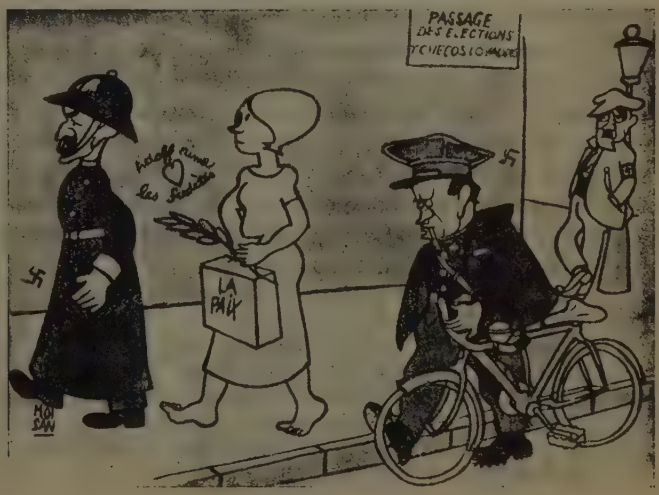



Messrs. Chamberlain and Daladier give safe conduct.

"*Marianne*," *Paris*

On this basis we have, as Dr. Goebbels emphasised, absolute understanding for international solidarity, and had for this reason no objection whatever when the American Secretary of State, Cordell Hull, reminded the world of the almost forgotten Kellogg Pact, and emphasised that the provisions of this Pact are still in force to-day. Unfortunately, Mr. Hull put no address on this noteworthy reference. There are, however, addressees to whom such a declaration might be very useful. And when Mr. Hull declared further that in America there is great longing for peace, justice and progress, we can here too point out a significant parallel: Dr. Goebbels at the same time spoke of Germany's work of construction, which will extend over decades and is " construction work of peace and not of war."

*The Example of Eire*

So it is still only the Czech question which remains the sole point of conflict in European politics. Must that be ? Can that not be changed ? What grounds can be found to justify three-and-a-half million people remaining delivered up to a military terror dictated and organised from Moscow—three-and-a-half million people who have once again declared their adherence to their own race with a unanimity such as no democracy in the world can show, in an election held under the most difficult circumstances ? There is a clear path to peace in Czechoslovakia too. Nothing more is demanded of the Czechs than that which was accorded the Irish by the English. Is it against Czech honour to do something that is compatible with British honour ? Is the Czech State of to-day only imaginable behind a forest of bayonets, behind the heavy barricades which, in the middle of peace, have been erected? It seems indeed that attempts are being made in Czechoslovakia to-day to conduct internal politics with the Army and to balance Czech state authority on bayonet points. That is a risky undertaking. History teaches that such an attempt has so far always failed.

## UNANSWERABLE

The Bishop of Muenster in Westphalia preached in his cathedral about the influence of the church on the education of youth.

Suddenly a uniformed Nazi stood up and exclaimed: " How can anybody talk about youth if he himself has neither wife nor child? "

The Bishop answered in a thundering voice: " In this house, I will allow no offensive remarks against the Fuehrer."—*America.*

# HUNGARY AFTER THE ANSCHLUSS

## Germany's Friend?

by COUNT STEPHEN BETHLEN (*former Prime Minister*)

*From "The Hungarian Quarterly," Budapest, June*

*That Germany needs the rich grain harvests of Hungary in her bid for predominance in Central and South-East Europe is certain. Less sure is it what methods she will use to secure them. Count Stephen Bethlen's survey of his country's position indicates that the peaceful path is the one more likely to be followed*

IN the past twenty years the unstable position of Austria has always been an essential factor of uncertainty in Hungary's foreign policy. We could never be sure whether Austria would not sooner or later join the Little Entente, especially if social democracy once again got the upper hand, and whether such a step on her part might not compel us, too, though *contre coeur*, to surrender to the idea of a Danubian Confederation. Nor could we know whether Austria would not seek refuge in a restoration carried out with the support of certain Great Powers, which might have been followed by a similar restoration in our country. It was equally uncertain whether the *Anschluss*, if accomplished, would not lead to a European War in which we might become involved against our will and find ourselves in a fatal situation. In other words: *Austria's unsettled situation was teeming with the possibility of grave peril for our position.* The fact that this problem has been brought to a head, and the issue finally determined, has cleared up matters in this respect. The question that must be raised now is this: was the uncertainty of yesterday better for us than the certainty of to-day? Was it the lesser evil of the two?

In order to maintain an impartial attitude in enumerating the advantages and disadvantages, I shall begin with the latter.

Looking at the problem from a general or, say, from a theoretical point of view, there can be no doubt that a weak neighbour is always more acceptable to a weak country than a powerful one, even though the latter may harbour a friendly disposition towards it. A weak

country must of necessity adapt its foreign policy to that of its strong neighbour, even if this causes inconvenience to it in other ways. A Great Power always has means at its disposal by which it can exert pressure on its smaller neighbours if the latter should attempt to pursue a foreign policy with a tendency opposed to its own basic interests. Considering our geographical position and the fact that the principal market for our exports will in future be Germany, and that moreover the majority of our exports to other countries will have to be effected via that country, we shall be more dependent on the goodwill of Germany than ever before. On account of the proximity gained by Germany—as a result of the incorporation of Austria—to the other agrarian States of the Danube Basin, and in view of the fact that, in a great number of agrarian products, she will be able to act towards these States as a more or less monopolising factor, she will be in a position to play them off against each other, thus rewarding or exacting pressure on them in turn, in accordance with her own economical and political interests. All these circumstances have, of course, considerably enhanced the dominating role played by Germany in the Danube Basin, at the same time increasing the risk factor in the lesser countries, which latter fact will tend to curtail their freedom of movement to a great extent. All this, of course, is disadvantageous from our point of view. It may even be dangerous unless we take adequate measures to ensure free play in the economic sphere in good time, which it is in our power to do.

### *An Opportunity Has Come*

As against all these disadvantages, whose significance I am far from underestimating, let us now consider the great political advantages that have already automatically developed as a result of the change. If, with a true discernment of the present situation, we are able to exploit it to the full, these advantages afford a great opportunity for us to rise from the humiliation of Trianon, and once again to become an important factor in the Danube Basin—I might even say, its most important factor.

It must never be forgotten that the history of the last twenty years in the Danube Basin has been equivalent to a dictatorship of the Little Entente based on French support. This Little Entente was originally intended by France to act as a set-off against Germany,

but it actually indulged in blockading and mercilessly trying to strangle Hungary.

The rise of Germany's power in Central Europe and the union with Austria have once and for all put an end to this state of affairs. It would be an anachronism even to talk of this dictatorship to-day. Czechoslovakia is practically excluded from the ring whose life and soul against us she always represented. This is true at least in the sense that she has become incapable of the activity she displayed until now. Formally, the ring may still exist, but the power that held it together has been minimised. On the contrary, it is Czechoslovakia who has ended up by getting into the circle : if up to now she played the part of pursuing hound, she is to-day endeavouring to escape from the net into which she has unobtrusively managed to manoeuvre herself in the course of twenty years of masquerading as a Great Power.

WHAT HUNGARY LOST IN 1919 "*Hungarian Quarterly*"

As a result of this new situation the aggressiveness of our other two neighbours has abated. The time may thus have come to normalise our relations with our small neighbours. Accordingly, there is no doubt that the day is rapidly approaching when the great unsolved problems of the Danube Basin will come to be of critical importance. The Rome–Berlin Axis will undoubtedly have the casting vote in the readjustment, and this fact can only be advantageous to us. Moreover, it is equally indubitable that to-day Italy and Germany are not the only countries in whose interest it will be that Hungary, as a

friendly State, should occupy a position of proper significance in the Danube Basin. It is of equal consequence to England and France ; for by now these two Powers must also see how really important it is in the interest of European balance to maintain the independence of the Hungarian nation in the Danube Basin unimpaired, and to ensure its vitality.

There are many who fear that German voracity will not stop at the gates of Sopron, and that we are to be the next victim. The Hungarian public is consciously being frightened in this sense. I would warn Hungarian public opinion emphatically against phantoms of this kind. I know that such tendencies are attributed to Germany with the sole intention of rousing anti-German feeling among the public. In such an atmosphere we might be impelled to anti-German action, and that would be the most short-sighted policy imaginable on our part. For as long as we pursue a policy of loyal and sincere friendship towards Germany, as we have done so far, it must be Germany's sole interest not to disturb this relation without rhyme or reason by arbitrary encroachment or violence.

### *Friendly Means the Best*

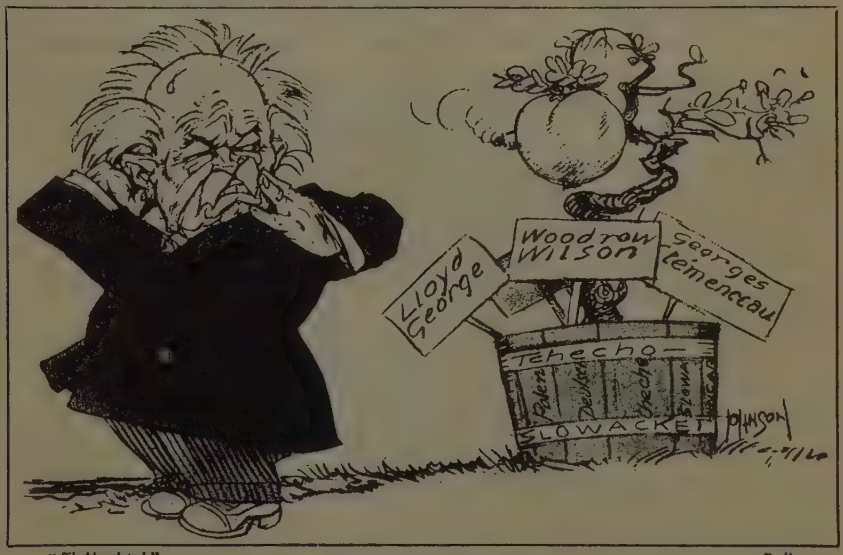
If these good relations are maintained and fostered, she can get all that she needs from us by friendly means ; whereas otherwise this could only be achieved by violence and sacrifice, and by adding another one to the already fairly large number of her enemies. All our agrarian and raw material surplus is at her disposal as it is. It is in our interest to sell it to the best customer ; and it is also in Germany's own interest not to cut us off from the West, for the German Empire's shortest route to the Balkans and the East passes through our country.

It is absurd to imagine that Germany might consider our country as a settlement area, when the *Alföld* (Great Plain) or the *Dunántúl* (Trans-Danubian district) with their average population of ninety inhabitants per square kilometre, already show signs of comparative over-population. The fact that there have been sporadic German settlements in this country for two hundred years might give some German fanatics the idea of extending the German frontier to the East. *I am firmly convinced, however, that no such thoughts are harboured by a single serious-thinking German or by governmental circles.* Under these

conditions, when there exists a friendly collaboration in the sphere both of foreign politics and economics, which it is the common interest of both parties to maintain, what could be Germany's object in violating our national independence despite this common interest, or in attempting to annex Hungarian territory? Surely dragon's teeth would be the only crop she could reap from such a conquest.

Common sense cannot fathom any such object; and so far I have not come across a single sound argument that could show reasons for serious anxiety or alarm.

On the contrary, Hungary has every right to expect that Germany, now that she is once more beginning to have a decisive say in international affairs, should do all in her power to help a crushed and mutilated Hungary to regain her rightful position in the Danube Basin, which she has occupied throughout the centuries. Such a policy corresponds entirely to Germany's interests. Viewed from a historical perspective, a Slav expansion in the Danube Basin might in time come to be a real danger to the German nation from the South-east; and the surest obstacle in its way is the existence of the




"Kladderadatsch" Berlin

THE APPLE OF DISCORD

Lloyd George, the only one of the Versailles sowers alive to enjoy the splendid fruit.

Hungarian nation and the maintenance of its position of power between the Northern and Southern Slavs, in the region of the Danube and Tisza.

At the end of the tenth century this danger was dispelled for a thousand years by a Germano-Hungarian combination at the battle of Dürnkrut. The Great War revived its actuality. A Slav corridor in the Burgenland was within a hair's breadth of being realised at the time of the Peace Treaties. Had Russia at that time been able to participate in the discussions among the victors to the full extent of her capacity, Hitler's soldiers would have been greeted at Hegyeshalom by soldiers of the vassals of the Russian colossus instead of those of Horthy.

Bismarck, Germany's greatest statesman, thought in terms of centuries. That is why he was avowedly a friend of the Hungarian nation. That is why he joined with Julius Andrássy the elder, in order that the Hungarian nation, as a friend of Germany, might stand on guard on the shores of the Danube as a strong and independent factor within the Monarchy, thus precluding the possibility of the Monarchy being transformed into a Power with a Slav majority and under Slav control.

The consciousness of the community of interests between us and the German nation was developed in the course of many centuries. This community knew dark days only at times when this consciousness became obscured in the eyes of the leaders of the German nation or when they disregarded its terms and, blinded by the desire for power, preferred an abject subjugation of the Hungarian nation to what the latter was ready to give as an independent faithful friend. This community of interests was confirmed in the Great War. After the War, however, it lived for years in the consciousness of the Hungarian nations alone ; it was the only one to make sacrifices for it.

Who would dare to presume, and by what right, that Germany, now that she has regained her national consciousness, could disown all the relevant memories of the past and wish to turn against the friend who, throughout the dark night following on Versailles, never forgot what she owes to herself in the first place, but also to her friends who share the same fate ?

*Essential Independence*

The last four hundred years of our history afford ample and incontestable proof of the fact that Hungary can only live, be governed

and thrive on the basis of principles corresponding to her national character and rooted in her own individual spirit. Both in the past and at present, every attempt to blend the separate life-principles of the two nations or to substitute one for the other could only have catastrophic consequences on the friendly co-operation of the two peoples, and provoke a bitter antagonism between them.

What was true at that time of monarchic absolutism, holds good without the slightest alteration for the equipment of a modern State. Should an attempt be made either on German initiative or by short-sighted Hungarians with German support to introduce into Hungary the methods and forms of a State system that appears to suit the German nation, but could only bring about a fatal reaction in our country, this would put an end to the co-operation and community of interests between the two countries for a considerable period and set the two nations against each other, as has so often happened in the past.

It is the duty of those who really have the maintenance and strengthening of the friendly relations between the two nations at heart to draw attention to this fact both at home and abroad and to sound a warning against it in good time.

### *No Imitation*

The present leaders of the German nation have rendered immense services to their own country and raised her national consciousness and honour to new heights. But it must always be borne in mind that the true friends of Germany abroad, ourselves as well, are not those soulless imitators, nor yet those who deem it necessary to stress their friendly feelings at the cost of giving up their national traditions and national institutions, but those who remain unswervingly loyal to our Hungarian character, to our national pride and hereditary way of life ; who make no allowances and tolerate none, and who are only prepared to co-operate amicably with the great re-born German nation if the full integrity of the national soul of Hungary is guaranteed.

Unfortunately there exists a number of such imitators in our country. The Hungarian nation will soon discover that they are not Hungarian either in race or spirit, and deny all connection with them. This will be the surest pledge of fertile and untroubled co-operation between Hungary and Germany, which it is the sincere wish of every patriotic Hungarian to realise.

EUROPE, 1928

World Review

*A LINK IS FORGED*

# FROM NORTH SEA TO BLACK SEA

*From " Voix Européennes," Paris*

THE press is full of news about the German government's plans for the construction of a canal connecting the Rhine, the Main and the Danube. German newspapers, which are firing off a regular barrage of news concerning the extension of economic relations between " Great Germany " and the countries of the Danube valley, describe the Danube as " the greatest German river," and " the line of communication to the heart of Europe." The future Rhine–Main–Danube canal is announced as " the water axis of Europe, the blue link between the North Sea and the Black Sea."

We must consider the actual state of navigation on the Danube before examining the importance of this canal, which, in conjunction with the regularising of the lower and middle reaches of the Main and the upper reaches of the Danube, will constitute, when it is finished (which is expected to be in 1945), an uninterrupted navigable way for river boats of 1,500 or perhaps even 2,000 tons from the North Sea to the Black Sea.

The Danube is navigable for a length of about 2,400 miles, of which about 220 miles are in Austria and 170 in Germany. To realise the importance of this river route it is enough to remember that from Prague to Hamburg by the river route is about 440 miles. The Danube, when the level of the water is favourable, is now navigable for ships of 2,000 tons from its mouth to Budapest. It is only the bridges which prevent small high-sea ships from going up as far as Bratislava or Vienna. . . .

Germany, in 1937, had the following commercial relations with the countries of south-eastern Europe : about 10 per cent of total German exports went to the south-east European states and about 11 per cent of her imports came from them. As for Austria, the corresponding figures are as follows : 22 per cent of exports, 25 per cent of imports. It is obvious that the countries of south-eastern Europe occupy an important place in the German economic scheme. But we must not forget that, after the annexation of Austria, by

feverish extension of relations with the south-east, an extension which is openly part of Goering's four-year plan, by the construction of roads and railways, and finally by the completion of the river route, Germany is doing everything to augment her imports of raw materials from the agrarian countries of south-eastern Europe on the basis of a kind of forced importation of machines and finished articles from Germany by those countries. They depend entirely on Germany, as a few figures show : Germany, including Austria, was responsible in 1937 for 47 per cent of the total exports of Bulgaria, 41 per cent of those of Hungary, 35 per cent of those of Yugoslavia, and 27 per cent of those of Rumania. At the same time the Reich supplies from 35 to 40 per cent of these countries' imported requirements.

*New Ports Arising*

The extension of navigation on the Danube, which is a decisive factor in the transport problem, is therefore, without any doubt, of great importance to Germany. But what is being carried out at the present moment is not just ordinary extension of navigation. Something else is involved. It is known that near Linz and Vienna work has been started on the construction of ports. The two great junction ports of the Middle Danube have so far been Budapest and Vienna. Before the war, Vienna had a traffic of about 175 million tons, of which, by 1937, she had been able to regain, in round numbers, 1 million tons. The new port of Budapest at Czepel, which was built as a free port, has at present attained a traffic of about 800,000 tons and is a serious competitor to Vienna. The port of Linz registers a traffic of 300,000 tons and the old Danubian ports of Regensburg (Ratisbon) and Passau, whose traffic before the war amounted to a total of 383,000 tons, registered 761,000 tons in 1936 and exactly a million in 1937. The construction of ports at Linz and Vienna shows that the Germans want to build a great junction port for transhipment at Linz for merchandise from the north, that is to say from Czechoslovakia, or else for Styrian minerals, and also eventually for the finished products of the industry of Upper Styria and of Upper Austria (Steyer armament factories) which reach Linz more easily than Vienna. The extension of the port of Vienna leads one to suppose that they want to make Vienna a centre of transhipment for goods from the north, that is to say from Czechoslovakia, and possibly even from Poland (coal from Upper Silesia) as well as for

merchandise from the south (depots of crude oil for the navy, merchant marine and air force) ; and that the Germans want to restart competition with the port of Budapest, for which the managing director of the free port of Czepel recently made an urgent appeal in the newspaper *Vreme*, of Belgrade.

Now comes the question : why is the Reich government making the effort of building these ports with such speed, and, moreover, in direct connection with a certainly very important programme of canal construction ? The Rhine–Main–Danube canal, of which we spoke at the beginning, which creates a great navigable route across the continent, is one of the greatest projects for the construction of navigable routes in the interior of Europe. . . . It creates a direct link between the coal of the Ruhr and Bavarian and Austrian industries, and in particular with all the Rhineland armament works which have been moved, or which are about to be moved into the interior of the Reich. It should be noted that after the *Anschluss* Bavaria is no longer—using the terms of German geopoliticians—in the " dead angle of Germany." Secondly, Austrian and Bavarian

" What's that on your trousers ? "
" It's a wood-worm. I bought them in Germany."
" *Nebelspalter*," *Switzerland*.

minerals will be brought by river to the heavy industry of the Rhine–Westphalia district. Thirdly, it creates—if Polish–Rumanian plans for a Danube–Vistula canal and a Vistula–Dniester canal are not realised—a direct link across the continent between the centres of German heavy industry in the west and all the Danubian countries. Fourthly, it creates an ideal backbone to that Central European area which stretches like a great barrier from the North Sea and the Baltic to the Adriatic and the Black Sea, composed of " Great Germany," Czechoslovakia and the Balkan countries ; that is to say, to that area which German geopoliticians designate as more or less reserved for Germany by fate. Fifthly, the Balkan countries obtain a link by river, across the continent, entirely dependent on Germany, to which country they are subordinated as a result of the absence of any firm collaboration against aggressors, and the absence of any economic initiative on the part of England and France.

*Strength in Wartime*

Finally let us consider the purely political and military aspect of the question. In no matter what future European war, the Danube, the mouth of the Danube, the question of channels, and especially of economic hinterland, will play a role important to all the participants. Germany, who is preparing systematically for this war, is therefore working to assure her raw material supplies in south-eastern Europe. The economic dependence of the Balkan countries must lead to political dependence, and hence Germany is assured of Rumanian petrol, Rumanian cereals, Bulgarian cereals, Bulgarian soya beans, Bulgarian and Yugoslavian minerals, Yugoslavian wood and Hungarian maize, Hungarian cattle, Hungarian wheat, while Austrian iron and light metals have been joined to German military economy by the annexation of Austria. A navigation route for large ships, which a German internal war fleet must guarantee, a fleet whose base must be in the centre of this great route, probably at Linz, is therefore to be considered as a vital route. It connects the principal termini of the German region of expansion, the mouth of the Rhine and the mouth of the Danube. It already increases—purely potentially as yet—pressure on the countries situated immediately on the mouth of the Danube, that is to say, Bulgaria and Rumania.

Though the construction of this canal may seem uneconomic at first, the Germans place great hopes on it. The navigation route

for the large ships, Rhine–Main–Danube, constitutes a large part of the axis which leads from Berlin to Bagdad, passing by the Bosphorus. The *Anschluss* has brought about a real Danubian problem. As long as the other Danube powers do not unite to make common front against German expansion and the economic and political strangulation which menaces them, Germany, by her political and economic strength, by the enormous pressure that she already exerts on the countries of south-eastern Europe, by her already predominant part in the navigation of the Danube and her coming construction of canals, will become the decisive factor on that river.

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## WHAT'S IN A NAME?

A festive little get-together is to be held in Stockholm soon, when Hitler, Goering and Stalin meet for a quiet dinner. The international situation will doubtless be discussed, but the meeting won't have the earth-shaking significance that, at first glance, it might seem to have.

Hitler will be the host; not Adolf Hitler, but a Stockholm sign-painter named Allan Hitler. He has been embarrassed many times by his name, as have his prospective guests: Harald Goering, merchant, and Tom Stalin, truck driver.—*St. Louis Post-Dispatch.*

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"Kladderadatsch," ROUGE ET NOIR Berlin

France announces that she wishes to add another 70,000 troops to her black army.

*TWO SLAVS APART*

# POLAND AND CZECHOSLOVAKIA

by PAUL SZVATKO (*journalist, of Prague*)
*From "Nouvelle Revue de Hongrie," Budapest*

*If the dispute between Germany and Czechoslovakia is at bottom one between Teuton and Slav, it appears curious that the Reich's powerful Slav neighbour, Poland, should not support her small cousin. Here we give the explanation*

FROM the political point of view it is the Teschen affair which constitutes the most serious problem (between Poles and Czechs); it is the only one, moreover, which is, so to speak, a geographical reality. However, it is well to remember the other point of difference, to understand the different mentalities of the two nations. In fact, it is only against this background that the gravity of the Teschen problem for Central Europe is revealed.

Even in the old Austrian Empire the Czechs and the Poles did not get on. The Czechs were irritated and rendered anxious by the understanding that existed between Vienna and the Poles of Galicia; they saw in it the weakening of their own national policy. On the other hand, the Poles looked askance at the attraction exercised over the Czechs by St. Petersburg, for in Polish eyes the principal enemy was always Russia. It is indisputable that the Vienna government favoured the Poles in relation to the Czechs and did not regret the growth of differences between the two Slav peoples.

Personal contacts between Poles and Czechs were not of a nature to foster mutual understanding, since it is rare to find two natures more opposed. This psychological contrast was apparent every time Slav questions that were common to them both came up. The Poles are an aristocratic people, drawing their ideals from the warlike periods of the recent past. It is their secret conviction that the liberty and grandeur of a nation can only be acquired on the battlefield. The history of the time when Poland was enslaved is full of insurrections, of revolts, and manifestations of a daring spirit. For a long time Polish liberty was identified with the fate of the Polish nobility and its opportunities for asserting itself. The nobility, numerically strong, marched at the head of the liberation movements and was the most

tenacious and bitter in action against the detested oppressors. It is, therefore, not surprising that the main lines of Polish society have always evolved according to the customs, mentality and faults of the privileged class.

Czech society, on the contrary, originated in the lower classes of the people. In the seventeenth century the Czechs were abandoned by their aristocracy, and the new Czech nobility was not able to develop itself on such a large scale as the Polish. As for liberty, the Czechs never wanted to acquire it with arms ; they never revolted nor offered rash resistance ; in their eyes the way of national evolution was by pacific organisation, by the growth of material goods, by the appearance of adaptation, which hid tenacious perseverance and preparation for action ; they retired modestly from social life and engaged quietly in commerce.

*Ideals Differ*

So it was that the Poles became a warlike people, enthusiastic for ideals in which they believed, but which were unrealisable, while the Czech people organised themselves almost like the Jews, living in dispersal and conserving their essential characteristics. Fiery, pathetic, enthusiastic, visionary and always ready to fight, the Poles have never felt in sympathy with the Czech spirit : cold, commercial, economical, hating violence, paying little attention to forms. The Pole is frankness itself ; he is communicative and does not worry about accumulating riches ; while the Czech is reserved, suspicious and ruthless where money is concerned. The Czech has looked for his ideals to the family, the people, socialising collective organisation ; the ideal of the Pole is grandeur, the extension of the national genius, pathos. The former wanted to live for his people, without being too eager to die for them ; the latter was willing to die for his national ideals, but did not know how to adapt his life to the service of their aims. The former became the partisan of democratic uniformity, the latter of aristocratic individualism.

Despite these differences, the two nations have, in fact, lived for many years in forced association preoccupied by problems common to the Slav under foreign domination. It was natural that the contrasts in their characters should become more and more evident in the discussion of methods of resolving their common problems. The

coldness in the relationship between the two brother nations continued to grow.

Such was the situation in 1918, the great year which brought independence to the two neighbours. Poland and Czechoslovakia were established and each evolved in the manner determined by the character of its dominant race. It was at this period that the real opposition sprang up between the two brothers ; the question of Teschen which, ever since the time of the peace treaties, has intensified the mutual animosity of Czech and the Pole.

*The Story of Teschen*

The territory of Teschen was part of former Austrian Silesia. The contested region is spread over about 500 square miles. It is very important in spite of its small size, because it is rich in coal. . . .

Since, at the end of the World War, the Czechs and the Poles could not agree to which of the new states the region around Teschen should belong, it was provisionally decided, on the 5th November, 1918, that the contested territory should be cut in two : the boundary line did not last long ; the Poles decreed elections in the entire region of Teschen, whereupon, at the end of January, 1919, as the Poles were engaged elsewhere, Czech troops suddenly occupied the part of Teschen in the possession of the Poles, as far as the river Vistula. If the Council of Ambassadors had not intervened, a war between the two countries would have broken out as a result of this coup. It was then that the serious dispute between them came into being, which repeated semblances of reconciliation have not succeeded in eradicating. Negotiations began in February, 1919, but neither of the two parties wanted the plebiscite, fixed for September, 1919, to take place. On the suggestion of the Spa conference the Council of Ambassadors settled the Teschen question.

The decision of the Council favoured the Czechs, for, contrary to the agreement of 1918, a large part of the territory which they had occupied by force in the beginning of 1919 was given to them ; the city of Teschen itself was divided into two parts following the line of the Olza river. The Poles will never forget this injury, for the population of the territory given to Czechoslovakia was predominantly Polish. Moreover, this territory was also extremely important from the economic point of view. Antagonism has become aggravated in

the course of time by the fact that in Warsaw's belief, the Czechs are unjust in their treatment of the Polish minorities.

According to the Czechs the number of Poles living in the Teschen territory is 80,000 ; the Poles, on the contrary, say there are 250,000. How does this great divergence arise? M. Tapié, who leans rather towards the Czechs, estimates, on the basis of a census taken by the latter, that in the Teschen region there are about 150,000 people whom the Poles can claim as theirs. The Czechoslovak census taken in 1931 counts as a separate nationality the original Slavs of Teschen, the " Slonzak " (Silesians) who from the linguistic point of view come between the Czechs and the Poles, but who always declared themselves Polish, a fact proved by the Austrian census, which, in this district, cannot really be accused of partiality. The Czechoslovak census taken in 1921 reported in Teschen 75,837 Poles and 47,314 Slonzaks, while 24,072 Slonzaks have, according to Tapié, declared themselves of Czech nationality. The Czechoslovak census of 1931, however, registers all the Slonzaks as Czechoslovaks and only recognises 81,737 Poles, which has provoked strong indignation in Poland and has been the cause of many disputes.

***Natural Riches***

Apart from the situation of the Polish minorities, the possession of Teschen seems to be desired by the Poles because of its immense wealth. Czechoslovakia's coal supply has been estimated by experts at 6,489 million tons, of which 6,143 millions are found in the Teschen region. Powerful industrial concerns are established in the neighbourhood of Teschen which in the course of time have passed from German into Czechoslovak or French hands ; 70 per cent of Czechoslovakia's production of steel and 60 per cent of iron come from this little territory of Teschen, which eloquently proves its huge value. From the Czechoslovak point of view, moreover, the possession of this territory is indispensable because of the fact that the old main Kassa–Oderberg line passes through it—so far the only railway connecting Prague and the eastern part of the Republic.

The conflict which broke out in 1919 and 1920 could not really be settled by the treaty of Warsaw, concluded on the 23rd April, 1925, between M. Skrzynski, Polish minister for Foreign Affairs, and M. Beneš, then Czechoslovak Minister for Foreign Affairs, although it brought a temporary lull. But the antagonism between

the two countries is always kept awake and fed by their divergent views concerning the treatment of the Poles in Teschen. For ten years the Poles have been affirming that the Czechs do not respect the treaty of 1925–1926. In 1930 they recall, for example, the number of Polish children of school age was much less in the Teschen region than it was in 1916, and yet in 1916 the Poles were still living under "Austrian oppression." Generally speaking, the Polish minority possesses fewer minority schools in Czechoslovakia than in the old Austria—although in purely Polish regions the Czechs have installed, one after another, numerous schools where the language taught is Czech, even though the number of Czech students was not more than eight, ten or twelve.

Since Warsaw, in the beginning of 1934, made an agreement with Berlin, while Prague turned towards Moscow, the situation has become much worse. According to the Poles, the condition of the Polish minority has become insupportable in the Teschen region, and the whole of Poland has demonstrated against the Czech "oppressors" . . . .

### *Czechs Uphold the League*

From the Czechoslovak side frequent attempts have been made to settle this conflict, whose origins were so relatively unimportant but which has resulted in such dangerous bad feeling, by pacific means. In November, 1935, M. Beneš put forward the proposition that an international organisation and a mixed commission should be entrusted with the settlement of the minorities dispute. After a long diplomatic discussion the Poles refused, insisting on the point that no negotiations could be started until the Czechoslovaks changed their policy with regard to the Polish minority. At that time the differences between the two states were already very marked insofar as methods of international policy were concerned ; Prague had made Geneva the centre of gravity of her policy and wanted all differences settled by means of international arbitration, whereas for Poland the centre of Polish policy was Warsaw, and the Warsaw government would not consider any but direct negotiation, on the basis of bilateral pacts, without any external arbitration. At the bottom of the contrast separating the methods of the two states we find a divergence of doctrines and of general policy. This divergence

springs logically from the psychological and historical opposition that exists between the two Slav peoples, an opposition which led them in different directions where world policy was concerned. Seen from this angle the Teschen affair, so insignificant in appearance, reveals its true importance. . . .

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In the sphere of Czech–Polish relations, the special Polish–Slovak relations constitute a separate chapter. It is a well-known fact that the Poles feel coldness only towards the *Czechs*, but feel affection for the Slovaks, romantic and Catholic, who are closer to them from the point of view of language and culture. When there was tension between Prague and Warsaw, there were moments when the Slovaks seemed to turn towards the Poles and away from the Czechs. On the other hand, Polish voices were heard proclaiming that the place of the Slovaks is by the side of the Poles and that the political union of the Poles and the Slovaks is a more natural thing than the union of the Czechs and the Slovaks, because it is closer to Slav forms—and to the aspirations of Poland in the South. The Slovak Autonomist Party, sometimes, when it was angry with Prague, was willing to adopt these Polish ideas, looking for support against Czech centralisation. Abbé Hlinka's newspaper, the *Slovak*, has often been confiscated for its admiration of Poland, which was thought excessive, and manifestations of friendship between the Poles and the Slovaks were also viewed with displeasure at Prague.

On the other hand, there exist in Poland classes and geographically determined sections who sympathise with Prague, and if their influence were to become greater the Teschen question would lose its importance. The Polish Left, the fragments of the old Peasant Party (M. Witos, former president of this party, took refuge in Czechoslovakia and it was from there that he stirred up feeling against the Poland of Pilsudski) as well as the extreme German-fearing Right, incline towards reconciliation with Czechoslovakia. Neither is the psychology of the Polish people homogeneous. The " Austrian " Poles differ from the " Prussian " Poles, and these two differ from the " Russian " Poles.

The eastern Poles, hard, with a certain Prussian stiffness and firmness, are rather like the Czechs with whom they sympathise. The eastern Poles do not sympathise with the Germans, a fact which

is explained by their geographical position, and do not approve of hostility towards the Russians. Prague hopes that the democratic Pomeranians will come into power in Warsaw, and that the tension between Poland and Czechoslovakia will so come to an end. But until then the other Poles must be reckoned with, the romantic ones, ambitious of expansion. It is part of the Polish nature to be permeated with the consciousness of a mission among the Slavs. The Poles want to play the leading role in the great Slav nation by developing a central Polish–Slav empire, to succeed where the Russians failed.

# HISTORY OF RIVALRY

*From the "Gazeta Polska," Warsaw*, 8.6.38

*The following expresses the official Polish point of view, to which there is considerable opposition within that country.*

THE dramatic crisis in the present status and policy of the Czechoslovak state has profoundly stirred European opinion. It was bound to find a lively echo in Poland for at least two reasons: prudence warns us that no serious changes occurring in the immediate neighbourhood of the Polish Republic can leave us indifferent, while varied emotions are roused in our hearts which prompt us to assume attitudes and undertake actions which wisdom does not always approve. The strong hope, however, may be expressed that prudence will hold in check those emotions agitating public opinion which find no justification in actual, past and present, facts and which cannot be reconciled with the essential interests of Poland.

The history of Polish–Czech relations has been characterised by rivalry. The same rivalry became apparent during the world war, when both nations were confronted with the possibility of regaining their independence. In his book, *The Policy of Poland*, Roman Dmowski stated that "it cannot be said that our aims in this war are looked upon with absloute sympathy by the leaders of Czech policy." This lack of sympathy became apparent in Czech views on territorial questions. There are three times as many Poles as Czechs, but in the maps of new Europe, which the master Masaryk and his disciple Beneš drew up at the time, Poland was scarcely larger than Czechoslovakia. According to the Czechs the Eastern frontier of Poland was

to run along the river Bug but without the province of Chelm, while Eastern Galicia was allotted to Russia, which would assure to Czechoslovakia a common frontier with her problematical protector.

Masaryk and Beneš had no doubts that the state in which the Czechs formed but one half of the population would constitute a vigorous and sound organism, but they were very pessimistic in their estimate of the chances of the Polish state with those frontiers within which they desired to contain it. In his very first Memorandum to the Peace Conference M. Beneš wrote that " one cannot speak seriously of a national organism of Poland, normally constituted and capable of development " (*Die Tschechoslowakischen Denkschriften*, Berlin, 1937).

### *The Czech Coup*

However, it was not this comic scepticism, but the fact that all the armed forces of the Polish Republic, so modest at the time, were defending other frontiers, which encouraged the Czechs to attack Teschen Silesia. It is necessary to recall this fact because it illustrates the real value of Masaryk's assurances to the effect that " without a free Poland there cannot be a free Czechoslovakia, and *vice versa*," and that " the common danger existing at present and threatening in the future must unite both nations in a well-planned common action " (*Nova Europa*, Prague, 1929). The attack of January 23rd, 1919 (in which the Czechs seized Teschen Silesia), was a slap in Poland's face, was a violation of the agreement determining a provisional frontier in accordance with the principle of nationality. The plebiscite decreed by the Supreme Allied Council had not been carried out because the Czechs feared its results. M. Beneš took advantage of the most perilous moment of the Polish–Soviet war—in July, 1920—in order to impose on us, with the support of French diplomacy, a frontier which left on the Czech side of the frontier at the time at least 140,000 Poles.

Did the Czechs at least make compensation by granting freedom of transit through Czechoslovakia? Not at all. They held up the trains carrying war material for the Polish armies, and on July 24th, 1920, Masaryk went so far as to warn the Allies—as stated by Lord d'Abernon in his book *The Eighteenth Decisive Battle*—that they need not trouble with organising assistance for the Poles, because " nothing

will help them in their hopeless position." Nevertheless we won that war ; we saved Poland and Europe from the Bolshevik flood. However, M. Beneš would not recognise the frontier we fixed with the U.S.S.R. As late as August, 1922, he declared " Czechoslovak opinion is not prepared to recognise finally that Eastern Galicia should belong to Poland and will never acquiesce in it." For the Czechs continued to dream of an " access to Russia," or of an encirclement of Poland.

### *A Pact Refused*

After the Great Powers recognised our Eastern frontiers (March 15th, 1923) Prague was obliged to agree to the inevitable. A few weeks afterwards the Polish government resolved to forget the past. Looking into the future, M. Seyda (Polish Foreign Minister) attempted to bring about permanent collaboration between Poland and the Little Entente in general, and Czechoslovakia in particular. The Little Entente was constructed on too narrow and too improbable a hypothesis for Poland to be able to " join " this group. M. Seyda, therefore, suggested that the Little Entente should be transformed into a Quadruple Alliance which would jointly guarantee to all the contracting parties all their frontiers. Speaking in the Seym on July 25th, 1925, M. Seyda asserted that " this can be achieved with ease and speed." However he was grievously disappointed, because Prague rejected his proposal to the jeering accompaniment of the Press.

Three further years passed. The *rapprochement* between France and Germany which appeared possible early in 1925 caused Prague to look with greater friendliness towards Warsaw. M. Beneš arrived there on an official visit, signed an arbitration and " liquidation " agreement and exchanged somewhat vague toasts with the late Alexander Skrzyński. There followed the Locarno Treaties within the framework of which France concluded with Poland and Czechoslovakia *identical* bi-lateral treaties of guarantee (France had already identical political agreements with both states). In April, 1926, Skrzynski paid a return visit to Beneš in Prague. On this occasion he proposed to his Czech colleague the conclusion of a treaty of alliance. M. Beneš *refused*, although this time without the jeers of the Czech Press.

For the second time the Czech government rejected the initiative of the Polish government, aiming at giving definite shape to the general assurances which Masaryk and Beneš gave during the world war. Why? Because of their interpretation of the vital interests of Czechoslovakia. In May, 1927, M. Beneš declared to a number of journalists confidentially that " he cannot be tied up with Poland, as that country will have war with Germany over Pomerania, war with Lithuania over Vilna, and war with Soviet Russia over the Eastern provinces."

On the Czech side the " divergence " of interests was stressed from time to time by no less a person than Masaryk, who declared for " a solution of the question of the so-called Polish Corridor in a sense favourable to Germany." (See Masaryk's interview with the *General-Anzeiger*, of Stettin, of June 6th, 1931.)

This outline of the development of Polish–Czech relations would not be complete if limited only to their diplomatic history. The " climate " of these relations has been and is determined by the lot of the Poles in Teschen. . . .*

At the beginning of 1933 it seemed that Polish–Czech relations were entering a new and better phase. The Four Power Pact, much discussed at the time, threatened the vital interests of both countries. It turned out to be impossible for Warsaw and Prague to agree on common tactics in opposing the trend towards the Four Power Pact. On the other hand, the Polish population in Czechoslovakia continued to be the most oppressed and denationalised of all the racial groups in that country. This population seized the occasion of the fifteenth anniversary of the Czech coup in Teschen in order to begin a more determined defence of its rights, while public opinion in the whole of Poland declared its firm solidarity with the Poles in Czechoslovakia. Two years afterwards, on January 15th, 1936, the Foreign Minister, M. Joseph Beck declared in the Seym that " the atmosphere existing between our two countries will be determined in the first instance by the actual state of affairs, namely the treatment of the Poles in Czechoslovakia." Since then no visible change for the better has taken place.

Such was the state of Polish–Czech relations when — after the *Anschluss* had been accomplished—it became obvious that Masaryk

* *Details of the Polish case have been omitted here as they are given in the preceding article.*

and Beneš based the whole safety of their work on mistaken and slender foundations. There cannot be the slightest doubt that the resurrection of an independent Czech state was an act of historic justice. However, we do not think that the independent existence of a morally and materially sound Czech nation is threatened by any great danger. To-day this nation of nearly eight million people is only suffering from a great disappointment. We do not speak of a " Czechoslovak " nation, because such a nation does not and never did exist. There exists, however, a Slovak nation of over two million people. Twenty years ago that nation resolved to unite with the Czech nation as an equal in a nationally dual state, but the Czechs have failed to implement the pledges they signed. The Slovak nation has not thereby lost the right to continue its struggle for an honest execution of existing obligations.

Thus the continued existence of the Czechs and the Slovaks is not threatened. Instead, the fiction of a " Czechoslovak National State " is being dispelled. No one in Europe will defend this fiction, not even those states which are united with Czechoslovakia by alliances. There is no alliance between Poland and Czechoslovakia. But it does not follow that we should conspire against our neighbour. We do not conspire both for ethical and political reasons. We have, however, entered a claim for a kind of " most favoured nation clause " with regard to the Polish national group in Czechoslovakia. It is obvious that its fate can in no case be worse than the fate of the German or Hungarian group. There is nothing in our attitude which we would wish to conceal. The Polish Republic does not apply methods of retaliation. We are a nation conscious of our destiny and always thinking of to-morrow. Fate decreed that we should live and develop between Germany and Russia. This geographical fact determines the methods and the aims of our foreign policy. All our other relations are only a function of this reality.

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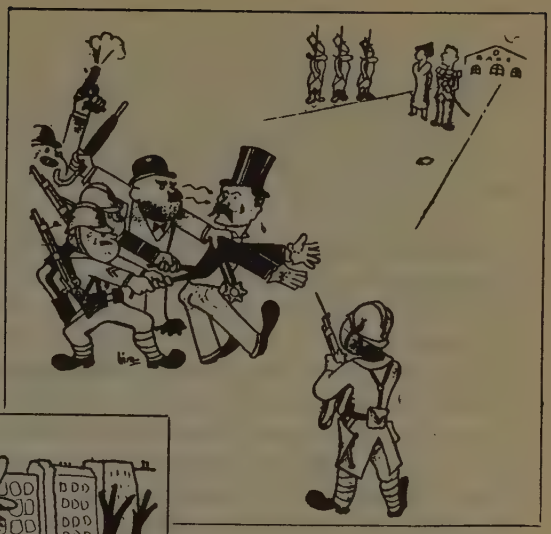
THE TEST

A new armed conflict threatens to break out, in South America, between Peru and Ecuador.

Which of the two countries is the undoubted champion of civilisation?

Before we say, we are going to wait for the first air bombardment of an open city. It is the side which carries this out which will have the right to the title.—" *Le Canard Enchainé*," *Paris.*

## *PARIS ON THE BRITISH ROYAL VISIT*



WELL GUARDED

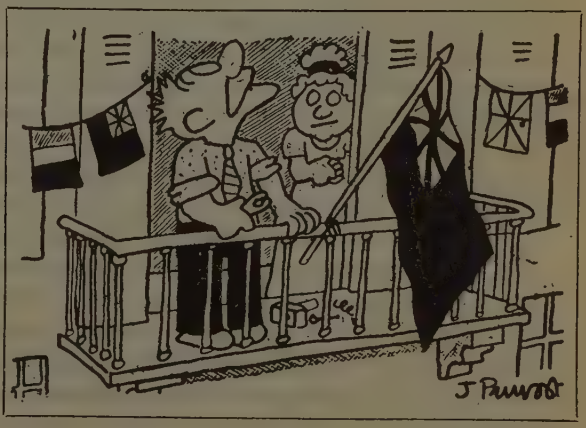
esident Lebrun : "But if I assure u that I have a pass!"

*"Marianne"*

"DECORATE YOUR WINDOWS"

"Like this I can imagine I have a window. . ."

*"Le Canard Enchainé"*



THE BRITISH PAVILION

"It'll be all right as long as one of Franco's planes doesn't come along."

*"Le Canard Enchainé"*

D

# SCANDINAVIA STAYS NEUTRAL

*Following are extracts from speeches made recently by Mr. Rickard Sandler, Swedish Foreign Minister, prior to the common declaration of neutrality by Sweden, Norway, Denmark and Finland*

IF, after calm and careful deliberation, a policy of neutrality, applied in all the northern countries, appears to us to be the safest—I do not say the safe—way to guide each of them through a general crisis with as little detriment as possible, then this will constitute the platform for our mutual policy. I cannot discern any other alternative for a northern policy in time of war than this : our common programme will be to keep our countries out of war.

I do not for one moment believe that this simple programme will be sufficient to master our difficulties. But I am convinced that it puts us in a favourable position to surmount them. This programme has the historical background of a long Scandinavian tradition, previous to the entry of Finland into our group of states, and it constitutes, in a situation in which the League of Nations has shown itself incapable of acting, the logical continuance of a policy of independence constantly applied during the history of this League.

No power is to count on having us—or any one of us—on her side. And no power is to count on having us—or any one of us—against her. The northern countries are to be struck out of the calculations of the Great Powers *pro et contra* : the strengthening of the north has only one objective: do not disturb the peace of the north ! . . .

Finally, I wish to point out that, as the world is at this moment, we cannot avoid risks, whichever course we follow. It is just as true to-day as it has always been that the risk can be averted only by a collective organisation of the will to peace of the nations.

This aim must never be lost sight of, even if it appears problematic, and distant in the present situation. If in this darkening hour we retire into our northern abode and fortify it to the best of our ability against threatening storms, we shall still be ready one day—we hope in the near future—to emerge and take part in the construction of a new world organisation for peace which, in spite of all, must come some time. Do not let us camouflage the fact that

what we are now doing means simply that the primitive instinct of self-preservation is making itself felt when we realise the actual state of the world and our inability to make it different. Do not let us say anything better regarding our plans than this, that as far as we understand it we would not be doing a real service to high human ideals by forgetting that our governments are first of all responsible for the future existence of our own free national states.

*Mr. Sandler treated the same subject in a recent speech to the Society of Naval Officers at Stockholm. He gave an account of the debate which followed the Swedish declaration at Geneva that the sanctions article of the Covenant could no longer be considered to be of a binding character, and declared* :

Two things are clear after this debate. A number of states have expressly reserved to themselves freedom of action. Their characterisation of the actual situation as regards the League's ability to function on this point has not been disputed. On the other hand, a large number of states have distinctly expressed themselves as against any formal endorsement of these declarations through an alteration of the rules of the Covenant.

The more serious risk is a political course of development which might transform the League of Nations into an instrument of a block consisting of a certain group of powers directly opposed to other powers outside the League. It is a Swedish interest to counteract any such tendency.

When in the House of Commons Mr. Chamberlain touched upon Mr. Churchill's proposed alliance between the western Powers and a number of small democratic states, he uttered these words, which are worthy of reflection : " However completely we encase such a proposal in the Covenant of the League, however wholeheartedly the League may be prepared to give an approval to such a subject, as a matter of fact it does not differ from the old pre-war alliances, which we thought we had abandoned in favour of something better." Apart from the fact that there cannot be any question of a general Geneva sanction of such a policy, it is easier for us in Sweden than for people in other parts of the world to realise how rightly it was characterised by Chamberlain. And after the launching of this idea as before it should be said : Sweden intends to be a state unbound by alliances. Now as always this policy constitutes the securest basis for our country's independence.

*CANADA LOOKS SOUTH*

# U.S. MILITARY WARD

*by* DAVID MARTIN

*From an article in "Current History," New York*

IN the same measure that Canada's bonds with the Empire have become weaker, her bonds with the United States have become stronger—or perhaps it would be more correct if this were stated in inverse order. Her geographical proximity to the United States, the nature of her economy, the common interests of the two nations, predestined her collaboration with her "good neighbour" to the south. The two nations commonly share the greatest internal waterway system in the world. Canada utilises two transportation corridors through American territory, one through Maine to the Maritimes, the other through the Alaskan fringe to Skagway. The United States has two corridors through Canadian territory, one through Ontario and the other through British Columbia to Alaska. While it has been pointed out by quite logical cynics that Canada could not hope to defend herself against an invasion from the United States, the 4,000 miles of unfortified border still stands as a testimony to the collaboration between the two nations.

As shocking as it may be to idealists, political alignments seem to have a quite tangible connection with trade and investment statistics. American capital has invested in Canada some $3,990,000,000 out of a total foreign investment (in Canada) of $6,889,000,000 and Canadian capital has invested in the United States $1,311,000,000 out of a total investment abroad of $2,083,000,000. Almost half of Canada's total trade within recent years has been with the United States while scarcely one-third of her total trade has been with the United Kingdom.

It would be wrong, however, to explain the friendship that exists between the two peoples entirely on the basis of the above-quoted figures. The flow of commerce has been accompanied by a flow of immigrants and tourists and ideas and culture. At the present time there are 1,278,000 Canadians in the United States and roughly 350,000 Americans in Canada. It has been estimated that one out

of every seven or eight native Canadians migrates to the United States. Each year some 20,000,000 American tourists and visitors cross into Canada, while several million Canadians cross into the States. The overwhelming majority of the Canadian people (not many can go to Oxford !) receive their *Weltanschauung* from American movies and American radio programmes and American books and magazines. Consequently it is only natural that Canadians and Americans should regard each other more as fellow countrymen than aliens.

In her policy in the Pacific, Canada is influenced by an Oriental immigration problem similar to that which confronts the United States. . . .

*The Rift with America*

Had British policy *vis-a-vis* the United States been consistently friendly, then perhaps the conflict between Canada and Great Britain would not have assumed such marked forms. Despite the oceans of sentiment about the need for unity between the English-speaking democracies, the cruel facts are that British interests are far from being entirely harmonious with American interests. There has been a continuous conflict between Canada and Britain over the renewal of the Anglo-Japanese alliance. It is common knowledge that long after the Washington Conference, the British Admiralty still continued to favour the renewal of this alliance.

In the early days of the Berlin–Rome–Tokio axis, Britain's attitude was, at best, one of friendly neutrality. While Britain has managed to conclude a dubious truce with the Berlin–Rome sector of the axis, the Japanese end seems to have gone entirely awry. The exhausting war in China could hardly be calculated to pacify Britain, or to aid Hitler in his future war against the Soviet Union. However, a German–Japanese war against the Soviet Union, Britain was prepared to countenance and even to encourage. But when Japan undertook the military invasion of China, she threatened Britain's entire interests in the Far East. As a result, there has been an unquestionable rapprochement between Great Britain and the United States, publicised by the fact that Britain has granted docking facilities at Singapore and Hong Kong to the United States Navy. Collaboration between Britain and the United States in the Pacific has naturally done much to improve the relations between Canada and Britain.

Nevertheless the sponsors of an Anglo–American fraternity should not be over-optimistic. What has changed before, may quite conceivably change again. British diplomacy is carrying on a parallel policy in Europe and the Far East. In Europe she has bent herself to the task of creating a four-power pact which would align the democracies and the fascist powers ; in the Far East the indications are that she is working towards a compromise with Japan.

It is against this background that we must consider Canada's defence preparations. . . .

*Defence Against Japan*

It is generally agreed that a Pacific war between Japan and the United States would follow the course of the semi-circle formed by the North American coasts, the Aleutian Islands and the Japanese Archipelago. With the virtual abandonment of the Philippines, America's main line of naval defence may be said to cut across this semi-circle from the Aleutians to Hawaii to Panama. The United States is in fact to-day developing the Aleutians as a base for defensive and offensive action against Japan ; and for offensive and defensive reasons as well, Japan would have to attack along the same route. Canada's position in such a war has already been likened to that of Belgium during the World War.

In the event of hostilities, Canadian collaboration would be imperative to the United States. If the Japanese were able to occupy some inlet along the British Columbia coast and use it as a base for raiding operations, they would be in a position to threaten seriously American shipping and American coastal cities. And should sea communication with Alaska at any time become hazardous, it would be necessary for the United States to have at its disposal a back door route through British Columbia. That is why America is so concerned over Canadian Pacific defences and why, in addition, she has been sponsoring the project of a military highway extending from the American border to Alaska. Canada is beginning to wake up to the concern that their southern neighbour feels. If Canada does not hasten to fortify her Pacific coast, says the Toronto *Star*, the United States will be compelled to intervene and " her 4,000 miles of unfortified boundaries may become a thing of the past."

Within the past two years Canadian defence estimates have been considerably increased.

Even with the recent increases, however, Canada almost tail-ends the world in per capita expenditures on arms. While the lavish British expenditures run at least $25 per capita and while the United States is spending at the rate of approximately $12, the Canadian Government feels that an expenditure of $3 per person is entirely adequate. There are critics of this policy, staunchest among them the imperialists who believe that Canada should prepare to send another army overseas in case Britain becomes involved in another European war. "A bow and arrow army running out of arrows," is how Col. George Drew, prominent conservative, describes the Canadian Army. And the truth is that very little, apart from the cost of maintenance, is being spent on the land forces. The only war that Canada to-day contemplates seriously is a war involving her Pacific Coast, and in such a war large forces of infantry would not be required. Canada is nevertheless maintaining a small standing army of more than 4,000 men, backed by a Non-Permanent Militia of 100,000 men, which could easily act as a nucleus for a greatly expanded army if the occasion should arise. Government munition works are being prepared for full time production and 700 additional plants have been inspected with a view to conversion to the manufacture of arms upon short notice.

Still, Canada's frugality in her armament outlay can only be explained by the assumption that she has definitely broken with European and Empire commitments and is, instead, following a policy of reliance on the United States. Imperialists may lament this trend, but history goes its way despite their laments.

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## THE BRITISH JOURNALIST

The charge (made by Japan, that British newspapermen in China are bribed) has been the subject of much flippant comment among the generally penurious newspaper community. Who has been getting the money? And how much? Affluence is so unusual in the profession that it seldom escapes notice and a degree of friendly envy. And, besides, there is the ancient and oft-quoted quatrain :

You cannot hope to bribe or twist—
Thank God !—the British journalist.
But seeing what the man will do
Unbribed, there's no occasion to.

So far the only documents produced affect foreign correspondents not at all.—"*North China Herald*," *Shanghai*.

*THE FUTURE EAST OF SUEZ*

# PAN-ASIAN PANIC

*From "The Straits Times," Singapore*, 7.4.38

*Far from meaning a future menace from Pan-Asiatic nationalism led by Japan, that country's aggression in China signifies the end of her as a possible leader of the Asiatic peoples, says this important Singapore paper*

SIR CECIL CLEMENTI recently made a remarkable prophecy. "When the present warfare is over," he said, "it is probable that solidarity will arise between China and Japan, particularly in their foreign politics. If so, the cry of 'Asia for the Asiatics' will grow more and more vehement. All this adds point to the need for a British base at Singapore that shall be impregnable against every kind of attack. And in addition there must be naval and military co-operation between Britain, France (with her vast Indo-China interests), America (with the Philippines), and the Netherlands (with her Indies). When that is achieved, no pan-Asiatic power will dare challenge the Far Eastern rights of Western civilisation."

Sir Cecil knows the modern history of China as well as any living man, but it would be interesting to know what characteristics of the Chinese people or forces in their political life led Sir Cecil to predict such an astonishing reversal of the present state of feeling. Much more likely is it that the relations between China and Japan will follow the Franco–German parallel, and that just as the rape of Alsace-Lorraine in 1871 led directly to the war of 1914, so is Japan sowing seeds in China to-day which may yield a grim harvest of war in the future.

There is, however, another and more concrete reason for questioning Sir Cecil Clementi's prediction of a challenge to Western rights by a pan-Asian power. Five years ago that was a possibility, and if Japan had pursued a peaceful course it might have become more than a possibility, but if Sir Cecil were to return to the East to-day he would find that the echoes of Japanese bombs and artillery have been heard far beyond the borders of China. Let us take only one example, afforded by recent personal observation. In a town in

central Java, in one of the Native States, air-raid precautions are now being organised, and wholehearted co-operation is being given by the Javanese administration. Two years ago the possibility of bombs falling in the interior of Java would have seemed so unreal and remote that it would have been very difficult to arouse the slightest interest in gas-masks and dugouts, but since then the Javanese vernacular newspapers have reported the activities of Japanese bombers in China. Consequently, the Javanese people now realise that what has happened to civilians in China might happen in Java.

*Fear Replaces Admiration*

This is typical of reactions to the China war all over south-eastern Asia. Japan is no longer admired but feared by Asiatic races. Her name has become synonymous with invasion, horror and misery for a civilian population, ruthless use of force, and hammer-blows against the new-born unity of the oldest civilisation in Asia. How different all this is from the reputation of Japan before the war started ! The prestige of Japan at that time was great, and steadily growing, among the nationalist elements in all Asiatic countries. In Netherlands India the nationalists admired Japan for the manner in which she had proved that industrial technique and modern armaments need not be a Western monopoly. In the Malay States young rajahs were going from every State to visit Japan and were coming back profoundly impressed by what they had seen of the progress of an Asiatic people. In Siam the influence of Japan was exceedingly strong in the regime which followed the overthrow of the princes. In the Philippines the independence party looked to Japan rather than to America for help in the development of the future republic. Even in distant India the prestige of Japan was very high, both as leader of the resurgent East against the dominant West and as a model for India in the industrialisation of an Eastern civilisation.

And now . . . it is only a few weeks since Indians were demonstrating with Chinese against Japan's aggression in Singapore streets. The demonstration itself was wrong but the significance of it was unmistakable. There was no pan-Asian spirit there—or, if there was, it was a revolt of pan-Asia against one of its members. The truth is that the pan-Asian ideal, of the pan-Asian spirit (which was beginning to be visibly manifest three years ago) has been blown

away like straws before a hurricane. Pan-Asia may yet be a reality. It remains an historical possibility ; but it can have no focus other than Japan, and the Asiatic peoples, having seen the fate of China, fear the future policy of Japan much more than they fear the colonial rule of Western Powers.

# JAPAN FACES BRITAIN
## Voice of the Business Man

*From the "Kaizo," Tokyo*

AS to the Soviet Union, Japan's object is fixed. No detailed explanation is necessary on this object, since Japan is definitely committed to the anti-Comintern policy. There can be virtually no Japanese financier who is pro-Soviet. However, few Japanese financiers advocate war with the Soviets, except those interested in the Kamchatka fisheries. Japan's relations with Britain, however, are not so simple as those with the Soviets. Broadly speaking, two factions, one pro-British and the other anti-British, confront each other in Japanese financial circles, and naturally exert an influence on Japanese policy as well as upon Britain herself who, while tending to disregard the views of political "adventurers," is impressed by those of sober business men.

The British government is said to have prepared a list of anti-British Japanese, which is headed by Shingo Tsuda, president of the Kanegafuchi Spinning Company, followed by Soho Tokutomi. Tsuda's views can be gathered from the following statement:

> Chiang Kai-shek is riding two horses, the Bolshevised horse of the Soviets and the Economic horse of Britain. He is not driving these horses, but is being driven by them especially the British horse. If an enemy wishes to shoot Chiang, he must shoot the horse first. Pro-British Japanese fear that Japan will be ill-treated economically and politically by Britain for having offended British feelings. Such is an unnecessary fear. First of all, look at Japan's air force. Before the great feats of Japan's "eagle" air squadrons, British warships will be utterly powerless, as far as the Orient is concerned. Britain is not so foolish as to fight Japan. Japan should carry out her own policy, taking advantage of this opportunity, and demand of Britain reconsideration of her insolence. However, I am not a man advocating a "Hate Britain" campaign. My argument is only than Japan should fight Britain, if she does not remedy her cunning policy.

Many Japanese cotton spinners are anti-British. This is natural because they must compete with Lancashire. Even Seijiro Miyajima, president of the Nisshin Spinning Company, who has completely stopped political activity since the assassination of Inukai, whom he respected very much, is reported to have declared, when the first Indo-Japanese cotton parley was threatened with rupture, that Japanese cotton goods would have to be shipped abroad on warships. Although not so categorical as Tsuda, Gengo Kodera, president of the Dai Nippon Spinning Company, is known as a pretty vigorous anti-British propagandist, in spite of his having joined Japan's Economic Mission to Britain, headed by Chokuro Kadono, at the latter's request. So much for the anti-British group.

As to the opposing group, Kadono is pro-British from start to finish, as are also almost all Japanese financial leaders. Their attitude endorses a traditional policy of high political circles of Japan. But as the British attitude against Japan has gone so far in connection with the China incident, public opinion in Japan has grown so vigorously anti-British that it has compelled pro-British men in this country to keep their opinions to themselves. The Sino-Japanese conflict broke out during the Mission's stay in England and this caused Kadono to withdraw his plan concerning Anglo-Japanese co-operation on economic development of China, but, according to one of his letters from England, British public opinion was unexpectedly calm toward Japan. The letter adds that this speaks volumes for increasing signs of Anglo-Japanese friendship. On his return home, Kadono, as president of the Japan Chamber of Commerce and Industry, made speeches on various occasions on Europe and America and, whenever he referred to Britain, he spoke well of that country.

### *Dependent on British Finance*

Now Anglo-Japanese relations have been close for many years, both politically and economically. Economically, Japanese financiers have been depending on British capital. They are sullen therefore, when relentless anti-British opinion is freely spoken. A certain influential financier, who retired from the foremost line of activity, once said that Tsuda should be more cautious in his expression of opinion on Britain. This financier must have thought that such expressions might bring disadvantage to the interest of Japan. To this Tsuda

might well reply that it is because of the dominance of such pro-British financiers that the Japanese economic advance is hampered.

Between the two extremes there are more realistic and sagacious men among Japanese financiers, who have moderately anti-British leanings. Shozo Murata, president of the Osaka Shosen Kaisha, is one of them. He is extremely opposed to British shipping policy. In spite of the great efforts of Kadono, he did not join the Economic Mission, declaring that there is absolutely no chance to effect a compromise as far as Anglo–Japanese shipping relations are concerned. However, when he faces a practical issue to solve, he is not so obstinate as Tsuda. Murata says:

> It is decidedly bad that Japan should challenge Britain, even though Japan is challenged by Britain. It is an easy task for Japan to oust British shipping from China waters, if China's resistance to Japan ceases. Let economic matters be left to business men. No weapon is necessary to oust Britain. If it is still impossible for Japan to achieve its objective in the next 10 years or so, she may use force, but, before the country resorts to this, business men should be given a chance to show what they can do peacefully

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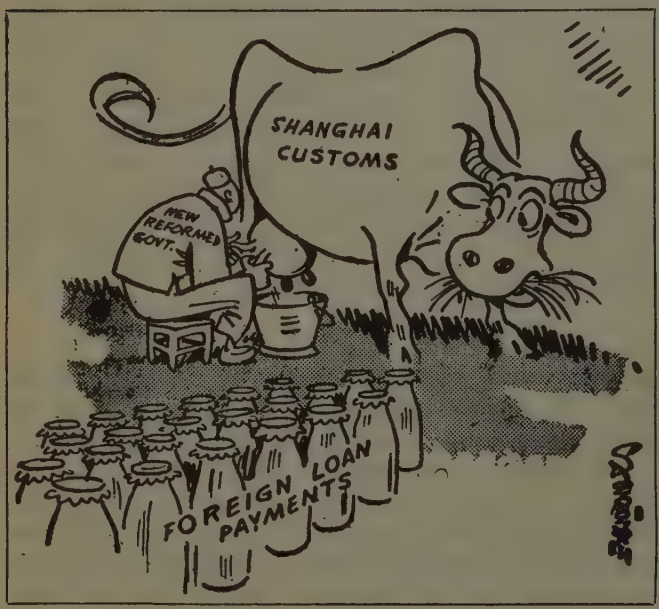


THE NEW MILKMAN

Japan's Puppet Government collects the Chinese Customs Revenue.

*Sapajou, "North China Herald," Shanghai.*

Because of this realistic attitude, Murata is not blamed at all by political leaders. Pro-British Japanese financiers are well pleased with such an attitude, while even Toshio Shiratori, who is the most vigorous foreign policy propagandist of the Foreign Office, is now issuing warnings against the growing public opinion favouring war with Britain and making friends with the Soviets, on the grounds that he is a " Britain-knowing " but not " pro-British " man.

# CHINA'S STAND

by MADAME CHIANG KAI-SHEK

*From the " Birmingham Post,"* 30.4.38 and 2.5.38

*The following are extracts from two articles written for the " Birmingham Post " by the wife of the Chinese Generalissimo*

I WONDER if the people of Great Britain realise what is happening here. For their information, it may be said, the so-called invincible army of Japan, which the Premier, Prince Konoye, threatened was going to beat us to our knees in no time, has been constrained not only to revise its ideas, but also to augment itself continuously with reinforcements. Until last month it had thirty divisions, totalling 600,000 men, operating in China, with the whole nation now mobilised on a war footing. Japan's casualties have so far reached an estimated total of 300,000. The cost to her of all this enterprise in " making friends of the Chinese people " can be estimated by using as a basis the *per diem* cost of the Great War to Great Britain, or by watching Japan's appropriations. Yet this full-dress war is but an " incident " according to Japanese Army professions : though to their people at home it will soon reveal itself as a monstrous major calamity, launched without justification and continuing without benefit to anyone except the providers of equipment and munitions. And there's the tragedy !

The longer, therefore, that the obsessed militarists of Japan are enabled to continue with their ruthless destruction the worse it will be for China and for the whole world. Not only will " undeclared " warfare become sanctified by custom, but this potential market will be ruined for many years for the industrial and commercial peoples of other nations.

The Japanese Army officers are purposely bent upon exterminating everything nationally or intrinsically valuable in China so that the survivors shall be poverty-stricken and dependent. Where, then, to be basely material, will be the trade of Britain ; the Birmingham products, the piece-goods of Lancashire, the equipment from a thousand different British factories ? And where, with the deliberate destruction of all reachable institutions of learning, will China's culture be ? . . .

*Fight Against Unity*

The Japanese were aware that unity was coming to China, and they did not like it. They realised, too, that there were some changes pending that would prove of great detriment to their ambitions if permitted to develop without interruption. It was the fear that these changes would produce reorganisation and consolidate unity that prompted the Japanese to take action before reforms could crystallise. To ensure a proper understanding of the situation it must be pointed out that for years the Japanese have left no stone unturned to keep China disunited and disorganised. They have always hoped that they would be able to achieve a position of paramountcy on the Continent which would enable them to monopolise the exploitation of the natural resources and labour of the country without any difficulty. Eventual dominance, they considered, would be easy after that, and the subsequent establishment of a Japanese Continental Empire could then be contrived with facility. Nor have their dreams been confined solely to China. They have, for a long period, visualised the banners of Japan waving over the whole of Asia. . . .

While we, in China, do not expect any Powers to fight for us ; while we understand their present reluctance to commit themselves to any action likely to be construed as provocative to Japan, there is one thing we do not understand. It is the failure of the Powers to try to force Japan to respect those humanitarian principles which are regarded as being the basis of civilisation. What Governments are reluctant to do, however, peoples can do. They can realistically demonstrate that " undeclared " warfare, with its revival of barbarism, will not be tolerated. They can assist to bring home to aggressors that no nation which descends to murder, rape and rapine can expect to prosper or be respected. The Chinese people view with gratitude

the steps that have been taken in this regard by the people of the British Empire, and we have profound admiration for the spirit shown by those who have, in no unmistaken voice, made their views and feelings known.

# RUSSIA THE VICTOR

*From the "Nationalzeitung," Basle*, 7.6.38

WHILST the German and, recently, the Italian press are trying to make their public's hair stand on end over Bolshevik plans for aggression, the truth is that Soviet Russia is supporting the efforts of the European governments to maintain peace with astonishing conciliatoriness. . . .

That this policy naturally has Germany's isolation as its object does not need to be underlined. But in the Kremlin they are not working for this isolation in order to fall upon the Third Reich, but in order to stop it from unleashing a new world war.

This policy is, of course, not quite as unselfish as it looks. Russia wants to maintain peace in Europe in order to keep her hands free for Asia, for in the Far East a development is becoming apparent, which faces her rather unexpectedly with quite fresh tasks. During the last few years the Kremlin has been making a virtue out of necessity with its policy of peace ; it has had to renounce revolutionary propaganda to a considerable extent in order to maintain itself against the new activity of the "fascist" states. But now Soviet Russia is faced with the temptation of making use of China's military weakness in the struggle against Japan for her specific interests of world revolution. It is one of history's bad jokes that Hitler should have recalled the German military mission in China, which, under the command of General von Falkenhausen, amounted to more than a thousand officers, to whom the surprising capacity for resistance on the part of the Chinese troops is probably partly due. Berlin is the victim of its own ideology ; it can no longer allow German officers to operate against its Japanese allies, but the one who laughs last is Moscow, whose influence so far has been paralysed by this very German mission. The command from Berlin may not have been intended to be quite final ; it was probably only intended to make

the abandonment of the German–Italian–Japanese anti-comintern coalition difficult for the Japanese ; but it will probably have the effect of causing China to attach herself almost unconditionally to Soviet policy. The son of China's national hero, Sun Yat-sen, Sun Fo, has just been to Moscow for the second time, and the English Press states that he has accorded a privileged political position in China to the Soviet Government, who have agreed to send in still vaster supplies of war materials than they have so far. The fact that Moscow has denied the report by no means signifies that it is false.

*New Tone from Government Spokesman*

This development is all the more interesting since it coincides with the changes in the Japanese Government. The new Japanese Foreign Minister who replaces Hirota is General Ugaki, who counts as a liberal and conciliatory statesman. The statement which Ugaki made at once regarding Russo–Japanese relations has roused hopes that an understanding between the two powers might at last be possible. It is true that Japan still puts settlement of the fishing rights and re-distribution of oil concessions in the Russian part of the Island of Sakhalien as a preliminary condition to a *rapprochement;* it appears to have forgotten about payment of money due for the Chinese Eastern Railway, and does not intimate that it intends to release the Russian ships and aeroplanes which it has confiscated. But, nevertheless, a new tone can be heard in Ugaki's declaration. He no longer refers to the provocative words used by the Soviet Commissar for the Navy, Smirnov, who spoke of the Japanese as " mad dogs," and one might almost think that Japan would even like to discuss the non-aggression pact which Moscow proposed a few years ago. Does Japan want to stop at the last moment a trend which not only leads to war with Russia, but perhaps to the Bolshevisation of China, which might be still more dangerous?

Even a few months ago Soviet Russia would have accepted a serious peace offer from Japan with joy. But is she ready for it now, when she has reason to hope that Japan will gradually bleed to death in China ? Up to now the bad will in Russo–Japanese disputes has been more on the Japanese than the Russian side ; but now it may be expected that the Soviets will be pleased to leave matters in

the air in order to continue supporting China's defence and so to come ever nearer to her own two-fold aim : in addition to the exhaustion of Japan's military might, to secure ever-increasing dependence of China on Russia and so increasing political co-ordination between the two countries.

Chiang Kai-shek's anti-communist slogans must fade out if Russia is to be the sole guarantor of Chinese independence. A Russo-Chinese alliance opens up immense prospects for the communist movement once more—prospects which, if we are not mistaken, have surprised the Moscow politicians themselves, but which they would find it extremely hard to neglect. Are they imposing such restrictions on themselves in Europe in order to develop their power in Asia all the more securely ? Retreat from China and a peace treaty with the Soviets—that would be a sensible anti-comintern policy, with which Japan could strike the cards from Moscow's hand. But Japanese imperialism, like European fascism, seems by its own foolishness to be only giving fresh strength to the Bolshevik regime.

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## GERMAN HELP FOR CHINA

The gift of medical supplies and surgical instruments made by the German Red Cross to China and despatched in charge of two physicians, Dr. Podgursky and Dr. Trautmann, son of the German Ambassador in China, has arrived at its destination and has been received by General Chiang Kai-shek personally.

The Generalissimo asked the two German doctors to convey to the German Red Cross the sincere thanks of the Chinese people for the help rendered at such a critical time and for placing at the disposal of the Chinese people medical skill and medical supplies.—" *North China Herald*," *Shanghai*.

## GANDHI THE SELF-CRITIC

" When the new education scheme was launched I was full of self-confidence, in which I now feel I am lacking. My words had power of which they seem to be bereft to-day. This lack of confidence is due not to things without but to things within.

" It is not that my senses are paralysed. My intellect gives me good work, for a man of my age. Nor is it that I have lost faith in non-violence. That faith is burning brighter than ever. But I have for the moment lost self-confidence. I would therefore, ask you not to accept anything from me implicitly. Accept only what carries conviction to you."—*Mahatma Gandhi at the meeting of the new National Education Board.*

# INTERNATIONAL BOOKSHELF

*The Editor reminds his readers that he does not necessarily share the opinions expressed by reviewers in this section. But this is a free country and knows no censorship*

## ADVENTURERS' TALES

THE STORY OF "ST 25." By Sir Paul Dukes. *Cassell.* 15*s.*

AND NOTHING LONG. By Ranald Macdonell. *Constable.* 8*s.* 6*d.*

THERE IS NO RETURN. By Philip Jordan. *Cresset Press.* 8*s.* 6*d.*

*Reviewed by* VERNON BARTLETT

SIR PAUL DUKES and Mr. Ranald Macdonell should get on well together. They both worked in Russia during the Revolution, the one as a spy with as many aliases as the most resourceful criminal, and the other as a British Vice-Consul in Baku, where he became involved in adventures such as seldom come the way of men in the very respectable Consular Service. They saw enough horrors during the first year or two of the revolution to drive them into most risky activities on behalf of the aristocratic refugees, and yet they admit that the White Russians whom we used in the hope of destroying Bolshevism were absolutely incompetent, untrustworthy and incapable of ruling their country well. And they have written very thrilling books about a country they never ceased to love.

I knew most of Sir Paul Dukes's story —he told it me years ago, when I was on a sick-bed in Danzig, and he told it so vividly that I remember almost every detail of his amazing attempts to communicate with the outer world and, after serving in the Red Army and the Communist party, to escape to it again. That his book nevertheless gripped me as tightly as any work of imagination, is high tribute. I should not like his job—and not only because I should not have the courage to carry it out for twenty-four hours—but I am overwhelmed with admiration.

In the days when circumstances drove Mr. Ranald Macdonell to change the diplomatic correspondentship of the *Morning Post* for the control of a general store in a little south coast town, I learned to respect his unfailing good humour. He has certainly needed it, for life has treated him pretty roughly. His story of life in the Caucasus before, during and after the war is so fascinating that it at once puts his book very high indeed in the long list of recent autobiographies. He has seen enough massacre and misery to embitter anybody. He has retained his sense of humour only because he does not expect too much from life. "If a person lets me down," he writes, "I usually find that it is my own fault — that I have been stupid enough to think that a butcher can cut me a suit of clothes."

Philip Jordan is incomparably the best writer of the three authors here reviewed. His book is curiously uneven. At times one is sure one is reading Ernest Hemingway, and then the style changes and one knows one is reading Philip Jordan, and is glad of it. For Philip Jordan is without any doubt one

of the best British descriptive writers. I have room to quote only a few sentences, but they can do far more to show his quality than could an extra column of enthusiastic praise.

> "When the bombs fell the women looked like people who have been told a joke whose point they can't see, but who want to be polite."

No sentence could better describe the struggle of people to behave normally in face of fear. The descriptions of the crossing of Brahmaputra and of the pilgrimage by torchlight up the sacred mountain of Ceylon, Adam's Peak, are as beautiful as his descriptions of the British in the more remote parts of their Empire are bitter.

> "Almost without exception," he writes, "the English people in Colombo imagine themselves members of a royal family; and the hills are their Balmoral, and as ugly. In a Scotch-baronial club they read out-of-date numbers of the more dreary illustrated papers, so that the whole place is like a dentist's waiting-room; and they laugh at *Punch* because if a fellow can't laugh at *Punch* there must be something wrong with him. And they play a hell of a lot of cricket; and when they discover that you are what they call a 'dab' at golf they are exceedingly kind and civil, and suppose that, after all, they can tolerate the crazy ideas you have; it won't be for long, anyway."

But best of all are the descriptions of visits to the Teruel front in Spain, starting off at dawn in air that was so cold, "it was like diving into dry water."

> "Where the planes dropped their bombs the earth rose suddenly in a dark column. When it could go no higher the column split and the top spread out like a fan, and rose again, grew lighter and disappeared like smoke. You could not see it fall. . . . The sounds of the explosions were muffled and it didn't seem as though they had anything to do with the plumes that rose into the sky. Such little sounds could not tear the earth like that. . . ."

I am conscious that I have given no adequate idea of a book which contains much fine writing, and a splendid, passionate hate of injustice. I shall await Philip Jordan's next book with anxious eagerness, for with such gifts his pen should be much mightier than many swords.


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## TRAVELLER'S JOY

CZECHOSLOVAKIAN YEAR. By Lady Sheppard. *Skeffington.* 15s.

*Reviewed by* RALPH PARKER

LADY SHEPPARD has written a complete and enthusiastic account of all that a privileged visitor to Czechoslovakia might be expected to see of that interesting country during a twelve months' sojourn. Her book is undoubtedly the best popular account of Czechoslovakia that has yet appeared; the majority of travel books

dealing with the country are poorly documented or are overweighted with the historical background. Czechoslovakia has not yet built up a strong tourist connection with this country. The union of Bohemia and Slovakia was at first a stimulus to internal tourist traffic rather than to the international, and the industrial workers of the Western parts of the Republic have in recent years been travelling in great numbers to the picturesque pastoral country of Slovakia, to the High Tatras and to the Carpathians of Ruthenia. As a result, the tourist facilities of Czechoslovakia have been greatly improved ; new roads, railways, hotels and services have been constructed, festivals and exhibitions arranged, such as the present superb Baroque festival in Prague. The foreign visitor, whom Czechoslovakia is now making efforts to attract, will find Lady Sheppard's book a useful companion. A pleasant feature of the book is the way in which personal narrative is interwoven with general description. The sixteen illustrations are of very high standard.

## BOHEMIAN COCKPIT

CZECHS AND GERMANS. By Elizabeth Wiskemann. Published under the auspices of the Royal Institute of International Affairs. *Oxford Univ. Press.* 12*s.* 6*d.*

*Reviewed by* C. A. MACARTNEY

THIS volume—the third of a series produced under the auspices of Chatham House, on the more controversial of the problems arising out of the territorial provisions of the Peace Treaties—is extraordinarily timely in its appearance. The controversy on the Czech–German problem which has filled newspapers and reviews in recent months has been carried on largely on an emotional basis. Here for the first time the authentic facts and figures necessary for intelligent discussion have been collected in a single volume. Miss Wiskemann has covered the whole field. There is a historical introduction, to which she has rightly devoted one-third of the whole book, since the present problem is only the continuation, within a slightly altered framework, of that which dominated the last two generations of pre-war Austria. There is a careful section on the important economic question ; an extremely interesting detailed description of the special situation and characteristics of each individual area of German settlement ; and finally, the story of developments since the War, to which are appended Miss Wiskemann's own conclusions.

The treatment of all matters of detail is most painstaking, conscientious and impartial. On all such questions as how far the Language Laws have been fairly applied, how far discrimination has been shown against non-Czechs in State or in private employment, how far the complaints of intrusion of Czech schools into German areas are justified, the authoress has clearly taken pains to obtain the most exact information from both sides and has set down the results with scrupulous fairness ; coming, as might be expected, to the conclusion that neither side has behaved perfectly. Her treatment of the major issue is less satisfactory. The fundamental difference between the Czechs and Germans is whether the former are justified in making of Czechoslovakia a Czechoslovak national state, or the latter, in demanding that it should be a "*Nationalitätenstaat*," in which all local nationalities should enjoy complete equality. Miss Wiskemann would be free to reject the latter solution, as indeed she does ; but she nowhere states with any appearance of understanding the arguments in its

favour. It is discussed, and dismissed, in a single page consisting exclusively of objections. The whole work, indeed, is based on an underlying assumption that although Czech practice may sometimes be wrong, the basic theories of the Czechs are the right ones. This may be true ; but it ought to have been proved.

It was perhaps due to the urgency of events that the last chapters are not wholly satisfactory, even within these limitations. The only possible solution is described as " the policy of Beneš and of February 18th, 1937." The serious criticisms made of execution of the February Agreement, not only by the Henlein Party, but also by the German Activists themselves, in the following November, are, however, passed over in silence ; only Hodza's justifications are mentioned. More surprising still, the Agreement itself is nowhere given in full, and no reference at all is made to some of its most important provisions. It is to be hoped that if this book reaches a second edition, as it deserves, its end will be re-written to make it more worthy of its beginning.

## STRAIGHT FROM THE FOUNTAIN HEAD

THE UNITED FRONT. By Georgi Dimitroff. *Lawrence and Wishart.* 8*s.* 6*d.*

*Reviewed by* C. F. O. CLARKE

IT is generally believed that Stalin's preoccupation with the internal development of Russia has led to a general reduction in the activities of the Comintern. Nevertheless it still draws up programmes for the guidance of all orthodox communists in other countries. This book, which consists largely of speeches delivered during the past three

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years by M. Dimitroff in his capacity as General Secretary of the Comintern, is chiefly concerned with the tactics to be employed in the fight against Fascism. M. Dimitroff, whose independent attitude made him the hero of the Reichstag Fire Trial, uses vigorous language ; but the crude repetitions, the barren rhetoric, the lack of originality or refinement of thought make the book dull reading. Indeed, the spirit behind the words is alarmingly fascist ; M. Dimitroff sticks closely to the tram-lines ; he is a good hater and magnificently disingenuous.

For M. Dimitroff fascism is wholly evil, communism wholly good. Fascism, which spells aggression without and oppression of the workers within, is on the increase ; even in apparently democratic countries it is continually encroaching. Unless all the Left parties unite against it, they will soon go the way of their German and Italian comrades. M. Dimitroff is at pains to explain why the communist attitude towards Social Democracy should change from contempt to friendliness. It does not imply a swing to the Right ; it is only a measure of self-preservation. Nor have the communists any intention of dallying with reformism. In a united front government they will press for the carrying out of "definite and fundamental revolutionary demands."

In another passage M. Dimitroff tries to dispel the Social Democratic anxiety that the communists want more than they are prepared to give. But the assurances are unconvincing ; it is obvious from the general tenor of the book that the communist doctrine does not admit of compromise ; yet unity of the Left, however desirable, can surely never prove lasting except on a basis of give and take. In England the communist insistence on revolution is repugnant to the generality of socialists, who realise that it gives potential fascists the very rallying-point they require. M. Dimitroff never quite faces up to the dilemma over which should come first, unity or revolution ; and by wanting both, he leaves the communists exposed to snubs such as their recent rebuff by the British Labour Party. Not to mention that for the followers of Stalin to pose as champions of liberty and democracy has by now become nauseating.

## PLUS IL CHANGE . . .

MUSSOLINI IN THE MAKING. By Ganders Megaro. *Allen & Unwin.* 10*s.* 6*d.*

*Reviewed by* GEORGE MARTELLI

MOST biographies of Mussolini fall into one of two categories : they are either monotonously laudatory or consistently hostile. Mr. Megaro, the author of the latest, avoids both extremes. Although he obviously dislikes the subject of his book, his manner is on the whole quite objective. He is primarily concerned in separating truth from legend, and allows the story to tell itself largely by quotations from a great mass of relevant documents. Many of these form part of the "suppressed" body of Mussolini's earlier speeches and writings, which are no longer accessible to the public. To see them Mr. Megaro had to overcome great difficulties, but the job was certainly worth doing.

Everybody knows that the founder of Fascism started life in the opposite camp. His apologists, however, are inclined to draw a veil over much of that lurid period. They stress the patriot, the reformer, the idealist ; they say nothing about the anti-militarist, the anti-Christ, and the apostle of violence. Their discretion is quite understandable. No leader of men has ever so completely repudiated his own former teaching.

To anybody who has followed the latter career of Mussolini, it is almost incredible that this was the same man who organised a strike to protest against the war in Tripoli ; who described the Italian flag as a " rag to be planted on a dunghill " ; who insulted the monarchy and denounced religion as the " monstrosity born of the ignorance of mankind."

Part of the merit of Mr. Megaro is to show how the transition was effected from the revolutionary and international socialist, to the reactionary, supernational fascist. The qualities in common of the two characters were intolerance of others, contempt for democracy, love of power and intense individualism. The truth is that Mussolini has never believed in anything or anybody but himself. This has enabled him to adopt every creed and abandon it as soon as another held out prospects of a personal advancement.

## ISOLATION FAN

ENGLAND EXPECTS EVERY AMERICAN TO DO HIS DUTY. By Quincy Howe. *Hale.* 8*s.* 6*d.*

*Reviewed by* M. McDOUGALL

ACCORDING to Mr. Howe, " if the rise of the British Empire dominated world history during the nineteenth century, its decline dominates world history during the twentieth." He describes the various causes and symptoms of this decline : the growth of rival Powers, the appearance of nationalistic and independent tendencies in various parts of the Empire and the unrest within the mother country herself. And he says that Britain's only hope is help from the United States. To secure this help she is apparently exerting every effort. In a most startling chapter he discloses the secrets of the " British network," the vast stream of propaganda designed to bring America into the next war as England's ally, emanating from such sources as the English Speaking Union and institutions like the Rhodes Scholarships. Mr. Howe is indignant at the propaganda he says is being used, but his own writing has itself all the qualities of propaganda ; exaggeration and a highly biassed point of view.

His conclusions are that America should pursue a policy of strict neutrality and should above all beware of supporting England for idealistic reasons. Speaking, apparently, as a Communist he says the United States may be asked to make common cause with Britain in the defence of democracy, only to find herself defending British interests as much against Communism as against Fascism.

## BRAVE EXILE

AUSTRIA STILL LIVES. By Mizzi Hartmann. *Michael Joseph.* 10*s.* 6*d.*

*Reviewed by* VERNON BARTLETT

THE young writer who, in order to save her relations in Austria from difficulties on account of her criticisms, calls herself " Mizzi Hartmann," faces up to a tragic situation with a courage that permeates her book from the title to the last page. She is one of so many thousands of keen young people in Central Europe who have survived the miseries of war and inflation, and who now must consider themselves lucky to have escaped from their own country into the uncertainties of exile. Her straightforward story should put to shame our own defeatists and remind them that, although they are prepared to run so few risks in defence of the liberty of speech and thought they still enjoy, they might at least make a greater effort to help those whose belief in human rights has turned them into penniless refugees.

# TRAVEL

*We remind our readers that we are always glad to give advice on travel questions, and are in a position to obtain from the right quarters any information that may be required about tickets, hotels, etc.*

## A CITY WITH ALLURE

By MARIA DE LUKATS

Immediately you arrive in Budapest you feel that here is something different; something you have not met before. And that is so, for Budapest has an atmosphere quite its own. It is difficult to analyse this atmosphere—it seems to be compounded of the charm that is natural to the Hungarians themselves and the beauties of this queen of cities, spiced with a dash of gypsy temperament. The stranger arriving in Budapest seems to undergo a kind of spiritual change ; a smile hovers on his lips and a twinkle appears in his eyes, while he adopts for the period of his stay the motto, " Let us eat, drink and be merry, for to-morrow—who knows, who cares ? "

*Photo : Hungarian State Railways.*

PAPRIKA SYMPHONY

Eat, drink and be merry—nowhere better than in Budapest. Hungarian cooking is famous for its variety and subtlety, and the Hungarian wines are such as to make the mouth of Bacchus himself water, while there are more restaurants and cafés to entertain the visitor than in any other city in Europe. There are "dancings" as *chic* and exclusive as any in Paris; there are bars and cabarets and, above all, little terraced cafés along the bank of the Danube, where you may sit and sip your wine and listen to the strains, now sad, now gay, of the gypsy orchestra. As you sit in your café enjoying the warmth of the summer evening—for summer in Hungary begins early and ends late—you can look across the Danube flowing between to the St. Gellert Hill with the fortress, called Citadella, and the Var-hegy crowned by

the magnificent Royal Palace, with, below it, the Fisherman's Bastion.

Though this city is the ideal place in which to have the best of times, you must remember that it is also the largest Spa in Europe, and the healing properties of its many mineral springs bring health and happiness to thousands every year. For the swimming enthusiast it is an ideal place ; no other city in Europe has so many swimming pools as Budapest. If you like waves they are waiting for you at the St. Gellert bath, where is also the famous champagne bath where you can bathe in bubbling mineral water! Then there is Lake Balaton, the largest lake in Central Europe, where every kind of aquatic sport can be enjoyed. There is no end to the sports you may enjoy in Hungary, shooting, fishing, riding, boating, tennis, golf, polo, racing, all in beautiful surroundings and the lovely Hungarian sunshine.

There is little to match the sight of Hungarian peasants in their colourful national costumes, which can be seen in little country villages on Sundays, and when they gather round the village inn to dance the national dances to the accompaniment of a gypsy orchestra.

Words cannot describe the beauties of this country—just go and see them for yourself. You can spend as much or as little as you like, for Hungary is a surprisingly cheap place in which to spend a holiday.

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# IN GERMANY

## SALZBURG FESTIVAL, 1938

THE programme for the Salzburg Festival Season this year has now been announced. The Festival will open on July 23rd and continue until August 31st.

Performances will be given of Mozart's " Cosi fan tutte " and " Don Giovanni," Beethoven's " Fidelio," Wagner's " Meistersinger von Nürnberg " and " Tannhäuser," Verdi's " Falstaff," and Richard Strauss's " Der Rosenkavalier."

Dr. Wilhelm Furtwängler, Vittorio Guy, Hans Knappertsbusch and Karl Böhm will share the conducting between them.

In addition to the opera performances at the Festival Theatre, Goethe's " Egmont " will be given in the courtyard of the Festival Theatre, and Kleist's " Amphitryon "—with scenery by Erich Engel—will be staged in the Cathedral Square.

Details of the concert programme for this season are to be announced later.

## HEADQUARTERS FOR TOURISTS

ON June 14th the foundation stone of the " House of German Tourist Traffic " was laid in Berlin.

Here in a vast semi-circular building in modern style, to harmonise with the planned rebuilding of Berlin, will be housed all the chief travel and tourist organisations of the German capital.

The building is intended also to serve as a meeting place for travellers from all over the world.

## FESTIVAL AT HEIDELBERG

GOETHE'S " Faust " will inaugurate the famous Open Air Reich Festival plays at Heidelberg on July 17th. Other plays in the programme are Shakespeare's " Taming of the Shrew," Eichendorff's " Die Freier " and Goethe's " Götz von Berlichingen." The Festival will end on August 21st.

## MOTOR CAMP FOR BAYREUTH

VISITORS to the Wagner Festivals at Bayreuth this year who go by car will find almost in the heart of the town a new tourist camp with running water, electricity, facilities for cooking and bathing.

# THE WORLD OF FINANCE

## WATCHMAN, WHAT OF THE NIGHT?

by "RAPIER"

It is recorded that the famous Mr. Jorrocks on a convivial occasion, being asked what were the prospects for the next day's hunting, having blundered into the larder, came back with a report that the night "was black as pitch and smelt of cheese." A business man asked what is the outlook for trade to-day, might similarly reply, "murky, with a strong odour of trinitrotoluol." In these circumstances caution is the order of the day, and investors have mainly confined their attention to gilt-edged bonds and gold-mining shares. The turnover of shares on both the London Stock Exchange and Wall Street has been very thin, varied in London by short bouts of speculation in new gold-mining ventures which, while legitimate risks for professional operators, leave the public sadder and wiser when the inevitable reaction takes place. The shares of fully developed dividend-paying gold mines are, on the other hand, a good hedge both against trade depression and war. Internationally-minded capitalists flit uneasily from their own currencies now into dollars and again into gold, actuated now by fear of a European war and next by fear of dollar devaluation. As an American financier once said, there is only one thing more nervous than a million dollars and that is two million.

Britain is still definitely experiencing a trade recession, but the activity induced by re-armament tends to cushion its full effects. The export industries, such as textiles, are the worst sufferers, being hit both by the American depression and its repercussions on other countries, and by the Sino–Japanese war. But compared with the United States Britain appears comparatively prosperous. Steel production in Britain has declined to 81 per cent of capacity but in America it is only 26 per cent and appears likely to fall lower before it recovers. Despite this and other unfavourable industrial indices, Wall Street

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has kept fairly steady up to mid-June which, perhaps, indicates that the bottom to the current depression has been reached. The market, too, is no doubt discounting the effects of the spending–lending Act passed by Congress which will inject some 3,700 million dollars into the national economy. Whether the spending of these vast sums will do more than check the depression or whether they will initiate the revival they are intended to stimulate, time alone will show. The political atmosphere will not be favourable to revival of confidence with a bitter Congressional electoral struggle to be fought out between now and November. If the primary party elections should show signs that New Deal candidates are losing ground, Wall Street might take fresh heart. A more anti-New Deal Congress which would assert its independence, and not act as a mere rubber stamp to the Administration, would give business men more confidence than any other single factor. President Roosevelt has so far shown no sign of that " change of heart " desired by business men, and still puts " Reform " before " Recovery." On moral grounds there may be every justification for his attitude, but market-wise, this is a bear point.

In France M. Daladier has safely surmounted his first hurdles and now seems securely in the saddle until the autumn. The Treasury is in funds again and there should be no crises either political or financial for the next few months.

## *The Austrian Loans*

An episode which has caused considerable feeling in the " City " was Germany's threatened default on the foreign debt obligations incurred by Austria before its incorporation in the Reich. The case of the foreign creditors is that Germany, having taken over a


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considerable amount of gold, foreign exchange, and foreign investments, from Austria, is in a favourable position to continue the service of Austria's foreign loans. Germany's answer is that these loans were floated in order to enable Austria to escape from an *Anschluss* with Germany, and that therefore Germany repudiates these obligations. The reply of the creditors is that in view of the orgy of default in recent years the sanctity of contract must be upheld and that if Germany proves intransigent some form of Exchange Clearing must be instituted. All the creditors are unanimous in this view except Italy, which is not surprising from a partner in the Rome–Berlin axis.

## *Italy's Financial Worries*

But Italy has other difficulties to face besides political ones, for its economic situation is giving cause for some misgivings. According to a statement by the Finance Minister, Thaon de Revel, in May, extraordinary expenditure incurred between July, 1934, and March, 1938, on the Abyssinian adventure, rearmament, and possibly incursions into Spain, amounted to 36,000 million lire (£380 millions). This exceptional expenditure was met by various devices, including a compulsory loan, a capital levy, and a revaluation of the gold reserves. In the current financial year which ends on June 30th in addition to a deficit of 3,200 million lire on the ordinary budget there is an extraordinary expenditure of 9,000 million lire (£96 millions). It would appear that annual budgets will in future total about 30,000 million lire (£320 millions), against 20,000 millions (£210 millions), in the pre-Abyssinian years. This is a heavy burden for a comparatively poor nation and it is estimated that taxation takes about a quarter of the whole national income. Nor does it appear that Italy has so far benefited from its Abyssinian Colony by any access of raw materials. The experience of "Sanctions" has led Signor Mussolini to intensify the campaign for self-sufficiency by encouraging the production of both naturally-produced raw materials and of substitutes. These, however, are costly experiments, as Germany has already found.

Nor does Italy's foreign trade show signs of striking a favourable balance. While exports doubled in 1936–37 imports trebled, and the first four months of the current year show an import surplus of 722.5 million lire against 890.5 millions in the same period of 1937. This import surplus is, however, counteracted to some extent by tourist traffic, which is likely to increase.

On top of its existing difficulties Italy has this year experienced a very poor harvest and it is estimated it may have to import about a million tons of wheat before next spring ; it has already had to buy several hundred thousands tons to meet current needs until the harvest is gathered. The prospect of having to use up large amounts of its already depleted gold and foreign exchange reserves is an unpleasant one for Italy but it may be partially avoided by barter trading with Russia or Danubian countries who are likely to have good harvests. In the circumstances rumours have been current that Italy may resort to another devaluation of the lira. But as a matter of prestige Mussolini is likely to resist such a step as long as possible.

## NEW DANISH INDUSTRY

A SMALL factory has been started in Jutland for the manufacture of storks' nests.

Danish farmers like to have a stork nesting on their roofs, but they find that the bird is lazy, and unless a nest is provided usually flies south.

*Evening Standard, London.*

# DIARY OF INTERNATIONAL EVENTS: MAY 15—JUNE 14

## SPAIN

AIRCRAFT dropped bombs on the French town of Cerbère (May 27th) and in Arièges (June 5th). The French frontier defences were strengthened.

At the end of May Great Britain was persistently reported to be taking soundings with a view to mediation in Spain. France was said to be ready to assist, but doubtful of success unless Italy would co-operate, which she showed no sign of doing. May 29th was devoted in Italy to celebrating solidarity with Nationalist Spain. Count Ciano's speech (June 2nd) extolled Italian–German co-operation against Bolshevism in Spain. General Franco refused outright to accept less than the Republicans' un-conditional surrender, and his successes in June, when by a series of swift blows and encircling movements his right wing advanced to Castellon (June 14th), made hopes of a compromise recede.

After Il Duce's Genoa speech (May 14th) the Italian and German Press became very critical of the increased volume of munitions reaching Barcelona in transit through France. The British government sought a solution through the plan of July, 1937, for the withdrawal of "volunteers." The Non-Intervention Committee agreed (May 26th)—the U.S.S.R. dissenting—that the "volunteers" (army, navy, air, civil) on each side, should be counted by two commissions; frontier and maritime control would begin a fortnight after counting commenced; if a substantial number (10,000) were withdrawn within 30 days belligerent rights would be granted to the Spanish parties; otherwise France would regain her freedom regarding frontier control. Each government would repatriate its own volunteers; the costs on land (camps, etc.) estimated at about £1,000,000 would be divided. The U.S.S.R., which said it had no "volunteers" in Spain, objected to contributing; at a later meeting (June 2nd) it withdrew most of its opposition to the plan.

In May and June aircraft in Nationalist service bombed Republican towns killing hundreds of civilians, notably at Alicante (May 25th) and Granollers—an open market town—(May 31st); British ships were attacked and sunk in ports. The British Agent at Burgos was instructed to protest (June 1st).

About June 2nd Great Britain suggested to the United States, Norway and Sweden that a commission of experts, should be ready to visit scenes of air attacks and report—for publication—on the damage and the proximity of lawful objectives. Norway and Sweden assented; official comment in the United States was guarded, though Mr. Sumner Welles expressed reprobation for such attacks (June 3rd). The Vatican made independent representations to General Franco (June 8th). Meanwhile attacks on shipping in ports were multiplied, bringing those on British ships alone to 22 between April 22nd and June 14th. On June 11th the Burgos government suggested, as a solution, that a Republican port outside the fighting zone should be allotted to merchant ships. Mr. Chamberlain, in Parliament (June 14th), held it impossible to protect shipping in territorial waters—still less to undertake reprisals—without becoming involved in the war.

## GERMANS AND CZECHS

WITH the approach of the Czechoslovak communal elections (May 22nd–June 12th) a European crisis developed. The Sudeten leaders complained (May 19th) of "terrorism" by the Czechs in the German districts and refused to negotiate with Dr. Hodza till order was guaranteed. Herr Henlein, lately returned from

exploratory conversations in London (May 12–14th), left the country.

On May 19th, rumours of German troop movements towards the Saxon frontier became current. The Prague Cabinet took precautions on all frontiers, and on May 21st, after a midnight session, called up 100,000 reservists for training and to keep order. Frontier violation incidents — one (May 21st) involving the deaths of two Sudeten at Eger—increased the general tension. Poland, in view of eventualities, moved troops to the frontier near Teschen. The German Press (cf. *Angriff*, May 21st) wrote, ominously, that Prague was no longer master of the situation which had become "intolerable." In Paris M. Daladier had to contradict (May 19th) rumours of a German ultimatum to France.

During this critical week-end, the British and French governments urged in Prague the need of avoiding incidents and reaching a full agreement with the Sudeten. In Berlin, in successive visits (May 19th–21st), the British Ambassador informed the Wilhelmstrasse of the advice given to Prague, obtained assurances (which Germany also gave to Prague) that the troop movements in Saxony had no political significance, and pressed for Germany's co-operation in facilitating a settlement, in the interests of peace. Herr von Ribbentrop welcomed the British efforts for peace, but emphasised the depth of feeling in Germany. In Paris, as in Prague, the French government re-affirmed its fidelity to its treaties with Czechoslovakia, while urging the latter to make the widest possible concessions.

Appreciating the Anglo–French counsels, President Benes and Dr. Hodza made speeches (May 20th–21st) promising liberal concessions in the Nationality Statute (adopted by the Cabinet on May 19th), but maintaining their resolve to resist violence. The first elections (May 22nd) passed off quietly.

Herr Henlein, returning from abroad, talked with Dr. Hodza on May 23rd, but his party declined to negotiate till the reservists—called up illegally, in their view—had been dismissed. In a Press interview (May 25th)—which was not endorsed by the Press of his party—Herr Henlein indicated three alternatives: autonomy for the German districts ; or a plebiscite for their union with the Reich ; or, if this were refused, their forcible inclusion by the Reich. The German Press, now reacting sharply against reports that British firmness had averted war, protested (May 26th) that the Reich had never contemplated a military solution, and charged Great Britain with encouraging "hate news," thus giving Prague a pretext to mobilise and to delay concessions which were more than ever urgent, in view of the votes (92 per cent of the German votes) cast for Henlein. These attacks ceased on May 27th. The Prague Cabinet's decision (May 30th) to dismiss half of the reservists produced a better atmosphere. Allegations of air-trespass were made by both governments.

As regards other states, Hungary observed a moderate attitude, but protested (May 22nd) against the closing of her frontier. The *Pester Lloyd* (May 25th) insisted that autonomy for Minorities in Czechoslovakia was the only solution. The U.S.S.R., through its Press (May 26th) and its Ambassador in America (May 27th), announced that it would aid the Czechs against "fascist aggression." Poland, on the other hand declared semi-officially (May 24th) that she would not be drawn into conflicts occasioned by French alliances with other states, an attitude sharply criticised by the Paris Press (May 26th). In America Mr. Hull warned signatories of the Kellog Pact of their duty to seek pacific solutions.

The German Press resented the announcement (June 3rd) of a projected extension of army service in Czechoslovakia and, before the final elections, renewed its attacks on Czechoslovakia as an outpost of Bolshevism ; at Stettin, Herr Hess (June 12th) denounced her

policy as irresponsible and dangerous to peace. The completed elections showed marked gains for the Sudeten and the Czech Coalition, and meagre support for the Slovak autonomist group, to whose claims, made at Pressburg on June 5th (and rejected next day by Dr. Hodza), great significance had been given in Germany.

On June 8th the Sudeten party restated their claims on the basis of the Karlsbad "eight points" (see June, 1937, number, p. 87). Dr. Hodza, in an interview with the *Sunday Times* (June 11th), said that most of the questions could be settled by compromise; the real problem was the extent of local government (which would certainly be granted) that would guarantee the Germans' liberties without weakening the State's sovereignty and authority.

Discussions opened on June 14th between the Sudeten leaders (not including Herr Henlein) and Dr. Hodza.

## THE FOUR POWERS

Il Duce's statement at Genoa (May 14th) that France desired Barcelona's victory, whereas Italy "desired and intended" that General Franco should win, brought the Franco–Italian conversations to a standstill. France's conditional acceptance of frontier control in the Non-Intervention Committee (May 26th, see above) eased the situation for a moment, and M. Bonnet spoke hopefully in the Foreign Affairs Committee (June 2nd) of a resumption of the meetings. Count Ciano's speech at Milan on the same day, rejecting compromises that concealed mental reservations, was, however, regarded in Paris as definitely ending the negotiations. Apart from Italy's annoyance at the passage of arms across the French frontier, the main obstacle was said to be the suspicion in Rome that France was aiming, through the negotiations, at dislocating the "axis."

In the same speech at Genoa, Il Duce said, referring to the *Anschluss*, that the Stresa front was dead; the Roman and German worlds were in contact. At Milan, on June 2nd, Signor Gayda admitted that the *Anschluss* and the Main–Danube waterway (decreed on May 18th) might give Germany some predominance in South-east Europe, but this would not lead to a clash between her and Italy. He ridiculed reports of an allotment of spheres between the two Powers in the Balkans. Italy's policy was: "the Balkans for the Balkan peoples"; she would never disinterest herself in the Balkans.

In the House of Lords (May 19th) Lord Halifax said that England's friendship with France was not exclusive, and she would like to remove causes of mistrust and suspicion that prevented a complete understanding with Germany.

## SANJAK OF ALEXANDRETTA

After the arrival of the League Electoral Commission (April 15th) grave disorders broke out in the Sanjak of Alexandretta. Martial law was proclaimed on June 3rd. The Turkish Government complained (May 22nd) to the League and in the Komitay (May 29th) that the French were working to prevent Turkey from obtaining the majority which she expected. The French Press observed that there was genuine opposition to Turkey's claims from the Alouites and devout Moslems. After discussions between M. Bonnet and the Turkish Ambassador (June 3rd and 9th) the tension was eased, it being agreed that Turkish troops might co-operate in maintaining order. Negotiations concerning the whole Franco–Turkish–Syrian problem, as a step towards a wider Franco–Turkish settlement, were opened on June 13th with discussions between General Staffs at Antioch.

## THE FAR EAST

In view of the prolongation of the war, and Germany's wish to remain neutral, the Chinese government's German military advisers were desired by their government to withdraw from their contracts (May 23rd). A few days earlier a treaty establishing diplomatic

relations between Germany and Manchukuo had been signed at Berlin. On June 1st the Press reported an agreement between the U.S.S.R. and China, whereby the former, in return for special advantages, would supply war material and experts to the Chinese government.

The Japanese government, as strengthened on May 26th in order to attain the "original objectives" of the war, contained five members of the fighting services, including General Ugaki, who replaced M. Hirota as foreign minister.

Pursuing their combined manœuvre, the Japanese Northern and Southern armies came in touch on the Lunghai railway (May 16th). Suchow fell on May 20th; the whole of the Tientsin–Pukow railway (800 miles) was in Japanese hands by May 25th. The bulk of the Chinese troops made good their withdrawal, abandoning much material. The main Japanese effort was then made westward towards the Pekin–Hankow railway. Kaifeng, the first objective, was taken on June 6th.

Canton was heavily bombed (May 28th, 29th) the population suffering heavily. The Chinese government protested to certain governments and to the League (June 1st). Great Britain protested to Tokio (June 4th) against indiscriminate bombing. The raids were, however, continued with small regard for military objectives, in order, as Admiral Nomura announced (June 7th), to show the futility of resistance. Renewed representations were made by France and Great Britain (June 5th, 6th), and by the United States (June 8th). The British attitude was sharply criticised in the Japanese Press.

One June 10th Japanese forces reached the railway, severing communication between Chengchow and Hangchow. Floods caused by the Yellow River impeded operations along the Lunghai line. Chinese guerillas re-occupied most of Shansi. On June 12th the Japanese commenced an advance by land and water up the Yangtse River towards Hangkow, whence the Chinese began to remove their government offices to points further inland.

## LATIN AMERICA

THE British government having demanded (May 11th) that British claims arising from disturbances in Mexico in 1910 and 1920 should be paid on the same footing as those of the United States, the Mexican government paid the sum of £18,000 and recalled its Minister in London, complaining that the British note had disregarded the division between domestic and foreign affairs. The British Minister in Mexico was thereupon recalled.

In Brazil President Vargas had followed up his anti-Nazi action in March (see May Diary, p. 87) by decrees which affected German schools and the leadership of Germans as exercised in Latin America by the cultural attachés. The Reich Press (April 23rd) condemned this policy as an attempt to denationalise Germans. After the revolt in Rio (May 11th) several Germans were arrested, and an attaché of the Embassy was interrogated. The President stated (May 13th) that the rebels had received "foreign help" and announced measures against "exotic doctrines." The Reich semi-official organs attributed this attitude of the Brazilian Government to American-Jewish influences hostile to German trade, and declared that Germany would not tolerate such chicanery. The Brazilian ambassador in Berlin asked for explanations (May 17th); the question was then overshadowed by the Czechoslovak crisis. The German Press stated (May 22nd) that Brazil now admitted that no Germans were implicated in the revolt.

Owing to the threatening situation between Bolivia and Paraguay, the Peace Conference at Buenos Ayres, which has sought to give effect to the Protocols of 1935 that ended the Chaco war, presented the two States (May 26th) with final "proposals for their common frontier," which President Roosevelt urged them to accept.

Printed in Great Britain for the Proprietors by Graphic Arts Ltd., London and Woking, and Published by Chatto & Windus, 40-42 Chandos Street, W.C.2. Sole Agents for Australasia: GORDON & GOTCH (AUSTRALASIA) LTD. For South Africa: CENTRAL NEWS AGENCY LTD. (London Agents: GORDON & GOTCH LTD.)

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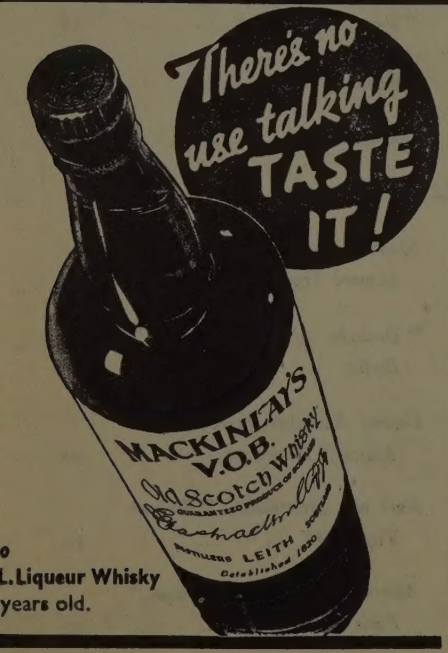


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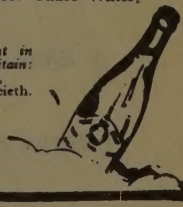

# WORLD REVIEW

*Volume V. No.* 6. *Incorporating* *'REVIEW OF REVIEWS' and 'WORLD'* *July*, 1938

40 WILLIAM IV STREET
LONDON, W.C.2.

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## CONTENTS

| | | PAGE |
|---|---|---|
| *WHAT ABOUT GERMANY?* | *Vernon Bartlett* ... ... ... | 5 |
| *FOREIGN BODIES* | *"Floodlight"* ... ... ... | 10 |
| *THEY'RE OFF!* | *"Reynard"* ... ... ... | 14 |
| *THE WATCH ON THE DANUBE* | *Douglas Reed* ... ... ... | 16 |
| *CRACKS AT THE DICTATORS* | *Cartoons* ... ... ... | 22 |
| *THE NATIONS SPEAK FOR THEMSELVES* | | |
| TOWARDS PEACE IN SPAIN | *Speeches by Dr. Negrin and General Yagüe* ... ... | 24 |
| *VIENNA IS NO LONGER WHAT IT USED TO BE* | *"Deutsche Allgemeine Zeitung," Berlin* ... ... ... | 34 |
| *CZECHOSLOVAK STRENGTH* | *Colonel Stanislav Yester, "New Masses," New York* ... | 40 |
| *IS ENGLAND AGEING?* | *Kurt von Stutterheim, "Berliner Tageblatt"* ... ... ... | 49 |
| *CHEERS FOR ALCOHOL!* | *Marcel Layrac, "La République," Paris* ... ... ... | 53 |